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LEGISLATIVE HISTORY

Public Law 87-703
H. R. 12391

TABLE OF CONTENTS

Index and summary of H. R. 12391	1,2,3,4,5,6
Digest of Public Law 87-703.....	

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NOV-10 1904

NOV-10 1904

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NOV-10 1904

INDEX AND SUMMARY OF H. R. 12391

- Jan. 31, 1962 Both Houses received President's farm message.
H. Document 323. Print of document.
- Rep. Cooley introduced and discussed H. R. 10010 which was referred to House Agriculture Committee. Print of bill as introduced and remarks of Rep. Cooley, including digest of bill.
- Feb. 2, 1962 Senate received draft of proposed bill from this Department.
- Sen. Ellender introduced and discussed S. 2786 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and remarks of Sen. Ellender.
- Mar. 23, 1962 House subcommittee ordered reported a Committee Print No. 1 on feed grains subtitle of H. R. 10010.
- Mar. 26, 1962 House subcommittee ordered reported a Committee Print No. 2 on wheat section of H. R. 10010.
- Mar. 27, 1962 House subcommittee ordered reported to full committee title II (amended), the agriculture trade development section of H. R. 10010.
- Mar. 28, 1962 House subcommittee voted to report to full committee with amendment title I, on land-use adjustment.
- Mar. 29, 1962 House subcommittee ordered favorably reported to full committee title V (amended) (Rural Electrification Admin. and Farmers Home Administration).
- Committee Print No. 3 on wheat as approved by subcommittee on March 26.
- Committee Print No. 4 on agriculture trade development as approved by subcommittee on March 27.
- Committee Print No. 5 on marketing quotas - feed grains as approved by subcommittee on March 23.
- Mar. 30, 1962 Committee Print No. 6 on land-use adjustment as approved by Subcommittee on March 28.
- Committee Print No. 7 on Farmers Home Administration as approved by subcommittee on March 29.

- Apr. 2, 1962 House subcommittee ordered reported to full committee title III on marketing orders, and subtitle C of title IV on dairy.
- Apr. 3, 1962 Committee Print No. 8 on marketing orders as ordered reported by subcommittee on April 2.
- Committee Print No. 9 on dairy as ordered reported by subcommittee on April 2.
- Apr. 5, 1962 House committee approved wheat section, amended, of H. R. 10010.
- Apr. 9, 1962 House committee approved title I (amended, regarding land-use adjustment); title II (amended, regarding trade development); and title V (amended, regarding the consolidated Farmers Home Administration). On Friday, Apr. 6, the committee approved subtitle A of title IV (feed grains).
- Senate committee considered S. 2786.
- Committee Print No. 10 on wheat as approved by House committee on Apr. 5.
- Committee Print No. 11 on feed grains as approved by House Committee on Apr. 6.
- Apr. 10, 1962 House committee approved title III, marketing orders.
- Committee Print No. 12 on land-use adjustment as approved by House committee on Apr. 9.
- Committee Print No. 13 on Farmers Home Administration as approved by House committee on Apr. 9.
- Senate committee continued consideration of S. 2786.
- Apr. 11, 1962 Senate committee continued consideration of S. 2786.
- Committee Print No. 14 on agriculture trade development as approved by House committee Apr. 9.
- Committee Print No. 15 on marketing orders as approved by House committee on Apr. 10.
- Rep. Cooley introduced H. R. 11222, a clean bill in lieu of H. R. 10010, which was referred to House Agriculture Committee. Print of bill as introduced.
- Apr. 12, 1962 Senate continued consideration of S. 2786.

Apr.	16, 1962	Senate committee (on Apr. 13) ordered S. 2786 reported with amendments. Summary of bill as approved by committee.
		House Agriculture Committee committee print digest of H. R. 11222.
Apr.	27, 1962	Senate committee reported S. 3225, a revised version of the farm bill, without amendment. S. Report No. 1365. Print of bill and report and remarks by Sen. Ellender.
May	2, 1962	House committee considered H. R. 11222 in executive session.
May	7, 1962	House committee met in executive session on H. R. 11222.
May	10, 1962	House committee ordered H. R. 11222 favorably reported with amendments.
May	16, 1962	House committee reported H. R. 11222 with amendments. H. Report No. 1691. Print of bill and report.
May	17, 1962	Senate passed over S. 3225 at the request of Sen. Engle.
		Senate made S. 3225 its unfinished business.
May	21, 1962	Senate began debate on S. 3225.
May	22, 1962	Senate continued debate on S. 3225.
May	23, 1962	Senate continued debate on S. 3225.
May	24, 1962	Senate continued debate on S. 3225.
May	25, 1962	Senate passed S. 3225 with amendments. Print of bill as passed by Senate.
May	28, 1962	Summary of S. 3225 as passed by Senate (prepared by staff of Senate Agriculture and Forestry Committee).
June	6, 1962	House Rules Committee granted an open rule, waiving points of order against the bill and committee amendments pertaining to Public Law 480, on H. R. 11222.

June	7, 1962	House Rules Committee reported a resolution for the consideration of H. R. 11222. H. Res. 678. H. Report 1786. Print of resolution and report.
June	19, 1962	House began debate on H. R. 11222.
June	20, 1962	House continued debate on H. R. 11222.
June	21, 1962	House recommitted H. R. 11222 by a vote of 215 to 205. Print of bill as recommitted.
June	22, 1962	S. 3225 was referred to the House Agriculture Committee. Print of bill as referred.
		Rep. Cooley introduced and discussed H. R. 12266 which was referred to the House Agriculture Committee. Print of bill as referred and remarks of Rep. Cooley.
June	29, 1962	House Agriculture Committee ordered H. R. 12266 reported to the House (amended, a clean bill to be introduced).
July	2, 1962	Rep. Cooley introduced H. R. 12391 which was referred to the House Agriculture Committee. Print of bill as introduced.
July	12, 1962	House committee reported H. R. 12391 with amendments. H. Report 1976. Print of bill and report.
July	13, 1962	Excerpts from House committee summary of differences between H. R. 12391 and H. R. 11222, the defeated bill.
		Rules Committee granted rule for 2 hours debate, waiving points of order as they pertain to Public Law 480 provisions.
July	18, 1962	Rules Committee reported resolution for consideration of H. R. 12391. H. Res. 727. H. Report 1997.
July	19, 1962	House passed, 229 to 163, H. R. 12391 as reported.
July	20, 1962	Senate received H. R. 12391 as passed by House.
		Sen. Dirksen objected to second reading of bill.
July	23, 1962	Senate agreed to Sen. Ellender's motion to refer H. R. 12391 to the Senate Agriculture and Forestry Committee.
		Print of H. R. 12391 as referred to Senate Agriculture and Forestry Committee.

Sen. Robertson submitted an amendment to eliminate from the permanent law the requirement for 55 million acres of wheat.

July	25, 1962	Senate committee reported H. R. 12391 with amendment. S. Report No. 1787. Print of bill and report.
		Sen. Proxmire commended the bill as reported by the committee.
July	27, 1962	Explanation of H. R. 12391 as contained in the Senate committee report.
Aug.	10, 1962	Senate postponed consideration of H. R. 12391.
Aug.	16, 1962	Sen. McCarthy submitted proposed amendment to add dairy program to new version of bill.
Aug.	17, 1962	Senate began debate on H. R. 12391.
Aug.	20, 1962	Senate continued debate on H. R. 12391.
Aug.	21, 1962	Senate continued debate on H. R. 12391.
Aug.	22, 1962	Senate passed, 47 to 37, H. R. 12391 with amendments. Senate conferees were appointed.
		Print of H. R. 12391 as passed by Senate.
Aug.	27, 1962	Rep. Avery objected to request to send H. R. 12391 to conference.
Aug.	28, 1962	Rules Committee reported resolution to send H. R. 12391 to conference. H. Res. 772. H. Report No. 2283. Print of resolution and report.
Aug.	30, 1962	House agreed to resolution to send H. R. 12391 to conference. House conferees were appointed.
Aug.	31, 1962	Conferees met in executive session.
Sept.	10, 11, 12, 1962	Conferees met in executive session.
Sept.	17, 1962	House received conference report. H. Report No. 2835. Print of report.
Sept.	20, 1962	House agreed to conference report. Senate agreed to consider conference report on Sept. 25.

Sept. 21, 1962 Rep. Dole criticized debate on conference report.

Sens. Pearson and Mundt criticized the conference report.

Sept. 24, 1962 Sen. Proxmire discussed H. R. 12391 as reported out of conference.

Sept. 25, 1962 Senate agreed, 52 to 41, to conference report.

Sept. 27, 1962 Approved: Public Law 87-703.

Statement of President when signing into law.

Hearings: House Agriculture Committee on H. R. 10010,
Parts 1 and 2.

Senate Agriculture and Forestry Committee on
S. 2786.

DIGEST OF "FOOD AND AGRICULTURE ACT OF 1962"

I. Land-Use Adjustment (Title I of the bill).

1. Amends the Soil Conservation and Domestic Allotment Act:

- (a) By repealing certain provisions of sections 7 and 8 of the Act, the effect of which would be to provide permanent authority for a Federal agricultural conservation program under sections 7 to 17 of that Act. Section 8 of the Act authorizes a Federal program only until January 1, 1963, after which it is contemplated that the program authorized by sections 7 to 17 would be carried out under State plans approved by the Secretary.
- (b) By providing new authority to promote the conservation and economic use of land through long-term agreements with farm operators and owners under which payments would be made for changes in cropping systems and land uses, and for other measures for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. This authority could be used without regard to a number of limitations in the present law relating to distribution of funds to States, increases in small payments to producers, limitations on the size of payments, and prohibition against acquiring any right or interest in land.

2. Amends title III of the Bankhead-Jones Farm Tenant Act to include as a purpose the more economic use of land, including among other specified uses public recreation and fish and wildlife protection; and authorizes the Secretary to acquire any lands, or rights or interests therein, which he deems necessary to carry out the purposes of the title as amended except that land purchases are limited to those which will not have a serious adverse effect on the economy of county or community in which the land is located. The law now authorizes only the acquisition of submarginal land and land not primarily suitable for cultivation. The Secretary is also authorized to dispose of lands acquired under this title, as amended, to any agency or person, except that such authority would not be applicable to lands acquired in exchange for lands acquired prior to the date of this amendment.

3. Amends the Watershed Protection and Flood Prevention Act by providing that when a local organization agrees to operate and maintain any reservoir or other area for public fish and wildlife or recreational development, the Secretary would be authorized to bear the cost of the land, easements, or rights-of-way acquired by the local organization for such reservoir or other area. The Secretary would also be authorized to bear the cost of minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area for such purposes. There is also included authority for the Secretary to make advances to local organizations from funds appropriated for construction of works of improvement of the amounts required for the immediate acquisition of land, easements, or rights-of-way necessary for the preservation of sites for works of improvement from encroachment by residential, commercial, industrial, or other development.

II. Agricultural Trade Development (Title II of the bill).

1. Amends title II of Public Law 480 (83rd Cong.) to permit acquisition of commodities for title II programs from private stocks.
2. Amends title IV of such law to --
 - (a) Expand purposes for which sales may be made to include market development.
 - (b) Authorize Secretary to make sales to private trade for market development purposes in underdeveloped countries.
 - (c) Provide discretionary rather than mandatory authority under which other friendly supplying countries would be permitted to participate in supplying commodities.
 - (d) Make certain provisions of title I relating to foreign currency sales (use of private trade channels, special consideration to market development) applicable to sales under title IV of P.L. 480.
3. Adds a new title V to P.L. 480 to authorize Multilateral Food Program through intergovernmental organizations.
 - (a) Authorizes use of surplus agricultural commodities from CCC stocks or from private stocks.

- (b) Authorizes CCC to pay procurement costs, processing, packaging, transportation, handling and other charges up to time of delivery f.o.b. point of export.
- (c) President required to secure commitment from international organization that reasonable precautions will be taken not to displace sales of U. S. agricultural commodities.
- (d) Requires advance appropriations after June 30, 1963.

III. Marketing Orders (Title III of the bill).

1. Permits producer allotments or quotas for milk, turkeys, and turkey hatching eggs as follows:
 - (a) The allotments or quotas for turkeys and turkey hatching eggs would limit or restrict marketings or other disposition by producers on the basis of marketings during a representative period or current supplies available for marketing.
 - (b) Producer allotments for milk would be based upon marketings during a representative period and would not place a quantitative restriction on marketings or other disposition by producers but would result in a limitation on the price received for milk marketed in excess of such allotments. Where producer allotments are proposed for an existing milk order fixing minimum prices, coordinating pricing amendments must be considered and producer disapproval of the revised order with allotment provisions would not affect the existing order. If milk quotas are established the supply-demand pricing standard of section 8c(18) would not apply but instead the parity standard now applicable to other commodities would be used, and a standard for pricing milk for fluid use is provided. Provision is made that the Secretary shall suspend milk allotment regulation if he finds that consumer interests are not being protected by reason of excessive prices being received by producers or an inadequate supply of fluid milk being available. Where national quotas are

made effective for milk under other statutory authority provision is made for coordinating the penalty provisions of such national quota program with a milk marketing order.

- (c) When producer allotments are in effect coordinating handler allotments are authorized.
- (d) Special procedure is provided for producers seeking review of allotments which permits the use of local committees.

- 2. Authorizes marketing research and development programs for milk orders heretofore limited to commodities other than milk with provision that producer approval of such programs shall be separately determined and the cost thereof may be assessed against milk producers.

IV. Feed Grains (Title IV, Subtitle A of bill).

- 1. Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses and exports; less estimated imports and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carry-over or to meet national emergency or increase in demand.
- 2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production in non-commercial area and on increased acreages resulting from the small-farm exemption, produce the national marketing quota.
- 3. The national acreage allotment (less small reserves to take care of "missed" farms and new farms) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains produced during the base period as adjusted.
 - (a) Base period for 1963-1965 crops is 1959-1960; for subsequent crops, the two most recent calendar years for which statistics are available.
 - (b) Adjustments in farm bases authorized for abnormal conditions.

4. Farms with feed grain base (i.e., average acreage during base period) of 25 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he can plant up to his base, but he is not eligible for land-use payments or price support.
5. All producers who have a feed grain base established for their farm would be eligible to vote in referendum except a producer with feed grain base of 25 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.
6. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of the parity price per bushel.
7. Secretary may permit wheat to be planted as a substitute for feed grains and count it against the feed grain allotment.
8. Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains.
 - (a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land.
 - (b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.
 - (c) The Secretary may permit the diverted acres to be grazed.
9. The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from feed grains.
 - (a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.

- (b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 20 acres.
- 10. Level of price support for feed grains would be between 70 and 90 percent of parity as determined by the Secretary.
 - (a) If marketing quotas are in effect for feed grains, price support on feed grains would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8.
 - (b) No price support if marketing quotas are voted down by producers.
- 11. If marketing quotas are disapproved by producers, CCC authorized to sell up to 10,000,000 tons of feed grains for unrestricted use at market prices.
- 12. Effective date of Feed Grain provisions: 1963 crops and thereafter.

V. Wheat (Title V, Subtitle B of the bill).

- 1. Secretary would proclaim a national marketing quota equal to total yearly requirements for wheat for human food, seed, and exports; less estimated imports, and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carry-over or to meet national emergency or increase in demand.
- 2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production in non-commercial area and on increased acreages resulting from the small-farm exemption, produce the national marketing quota.
- 3. The national acreage allotment (less small reserves to take care of new farms) would be apportioned to the States and counties, on the basis of the average acreage of wheat produced during the last 5 years. The county allotment would be allocated to farms on the basis of past acreage of wheat, tillable acres, etc.

4. Farms with an average acreage of wheat during 1960 and 1961 (or other representative period) of 15 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he may plant up to such base, but he is not eligible for land-use payments or price support.
5. All producers who have a farm acreage allotment would be eligible to vote in referendum except a producer with farm base of 15 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.
6. Production on excess acreage of wheat would be subject to a marketing penalty at the rate of 65 percent of the parity price of wheat per bushel.
7. Secretary may permit feed grains to be planted as a substitute for wheat and count it against the wheat allotment.
8. Producers would be required to devote to conservation uses an acreage on the farm in proportion to the amount by which the national acreage allotment is reduced below 55 million acres.
 - (a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land.
 - (b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.
9. The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from wheat.
 - (a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.
 - (b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 15 acres.

- (c) The Secretary may permit the diverted acres to be grazed.
10. Each farm would receive a wheat marketing allocation, on which marketing certificates would be issued, equal to the number of bushels obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the wheat crop which will be used during the marketing year for (i) human food in the United States less a portion of the **number of** bushels reserved for reducing CCC stocks and (ii) that portion of the exports on which the Secretary determines that certificates will be issued.
- (a) The marketing certificates would have a value per bushel equal to the difference between the price support on non-certificate wheat and the price support on certificate wheat. Export certificates could have a different value from that of domestic certificates.
- (b) Marketing certificates acquired from the producer must be accompanied by an equivalent amount of wheat. Marketing certificates would be required to cover (i) wheat products marketed for human consumption in the United States, and (ii) wheat and wheat products exported.
- (c) CCC would be authorized to buy and sell marketing certificates. CCC would be authorized to establish discounts and premiums not exceeding 5 percent of the face value of the certificate in order to encourage the purchase and sale of such certificates through commercial channels.
- (d) The Secretary would establish conversion factors to determine the amount of wheat contained in any food product.
- (e) Penalties are provided for failure to acquire certificates, and other violations.
11. Level of price support for wheat accompanied by domestic certificates would be between 75 and 90 percent of parity as determined by the Secretary; level of price support for wheat accompanied by export certificates would be not more than 90 percent of parity as determined by the Secretary; and level of price support for non-certificate wheat would be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

(a) If marketing quotas are in effect for wheat, price support on wheat would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8. If excess wheat is stored, producer may receive price support on wheat produced within allotment.

(b) No price support if marketing quotas are voted down by producers.

12. If marketing quotas are disapproved by producers, CCC authorized to sell up to 200,000,000 bushels of wheat for unrestricted use at market prices.

13. Effective date of wheat provisions: 1963 crops and thereafter.

VI. Dairy (Title IV, Subtitle C of bill).

1. Removes present requirement that butterfat and its products be supported at a separate level and provides that milk be supported through loans on or purchases of milk and the products thereof.

2. Establishes new criteria for price support and limits the support level to that which the Secretary determines will not result in acquisition of stocks (i) in excess of those which can be utilized in the national interest, including school lunch, domestic levels and foreign assistance, or (ii) having a total acquisition cost in excess of \$300 million if marketing allotments are not in effect, or in excess of \$300 million plus an amount equal to the surplus marketing fees collected if marketing allotments are in effect.

3. Authorizes the establishment of producer marketing allotments and a referendum thereon if the Secretary determines that the desired level of support cannot be achieved without marketing allotments. Authorizes the Secretary to review his determination of the national marketing allotment and to (1) increase such allotment if there has been substantial increase in factors upon which it was based and (2) subject to producer referendum, to reduce such allotment if there has been a substantial reduction in any of such factors. If more than 1/3 of producers vote down the allotment in any such referendum, price support will be at level determined to be in effect without marketing allotments.

4. Provides for:

- (a) Each producer to have a marketing base equal to his sales during 1961 or such other 12-month period as the Secretary deems more representative.
- (b) Allocation of this marketing base among quarterly or other marketing periods of the marketing year, to match his pattern of marketing in 1961, adjusted so as to permit him to carry out his herd management plan.
- (c) Adjustments of the marketing base for abnormal conditions, deficient production areas, and other factors.
- (d) Transfer of marketing bases.
- (e) Authorize Secretary to use funds available for price support of dairy products to purchase and cancel marketing bases voluntarily offered for sale by producers.

5. Authorizes producer marketing allotments. A national marketing allotment is to be established by the Secretary equal to the quantity of milk needed to meet domestic commercial and welfare needs, and export requirements, including foreign assistance. A producer's marketing allotment is that percentage as the national marketing allotment for milk during the marketing period is of the aggregate of all producers' marketing bases for such period. The Secretary may establish minimum allotments if such action would not impair effective operation of programs.

6. Provides for:

- (a) A surplus marketing fee on all milk marketed in excess of allotments.
- (b) Such fee to be in that amount, not more than \$2.75, as the Secretary determines necessary to yield a fund sufficient to cover any acquisition costs in excess of the smaller of (i) \$300,000,000 or (ii) the acquisition cost of those quantities of dairy products which can be utilized in the national interest, including school lunch, domestic welfare and foreign assistance.
- (c) Refunds of any overpayment by the producer of his surplus marketing fee.

7. Establishes a Dairy Stabilization Advisory Committee of 21 members, 15 producer-members to be elected from 15 dairy districts and four industry members to be appointed by the Secretary from processors, marketers, cooperatives, dairy associations, and farm organizations, and one member appointed by the Secretary to represent consumer interests and one from the Department of Agriculture.
8. Provides that the level of support for the 1962 marketing year in effect when this Act becomes effective shall not be changed until producers have voted in a referendum on marketing allotments.

VII. General (Title V of the bill).

1. Amends the Consolidated Farmers Home Administration Act of 1961 as follows:
 - (a) Adds long term and short term loans to individual farmers for recreational uses of land.
 - (b) Adds to section 306 of the Act loans and planning authority to associations and public bodies, for development and improvement of sewers, primarily serving rural residents, and for changes in land use for conservation measures, including recreational facilities.
 - (c) Increases amount of insurance fund available under section 309 (f) (1) of the Act for making loans to be sold and insured from \$10 million made and undisposed of at any one time to \$25 million.
2. Amends Section 3 of the Rural Electrification Act of 1936, as amended, to establish a single fund account to be used for all REA loans. This account would include all appropriations and funds borrowed from the Treasury under authorization contained herein, as well as all funds to be collected under outstanding loans. There would also be transferred to the account all notes, mortgages, and other obligations of electrification and telephone borrowers. The amended section would continue the authorization for appropriations and also for the Administrator to borrow funds from the Secretary of the Treasury. The amounts to be loaned in any one fiscal year would continue to be subject to annual provision therefor by the Congress in appropriation acts. The funds in the account will also be available for the payment of principal and interest to the Treasury.

SUMMARY OF FOOD AND AGRICULTURE ACT OF 1962
(Public Law 87-703, approved Sept. 27, 1962)

TITLE I -- LAND-USE ADJUSTMENT

The Soil Conservation and Domestic Allotment Act is amended to provide for the continued Federal administration of the agricultural conservation program. It includes authority for the Secretary of Agriculture to carry out long-range conservation plans with individual farmers and ranchers through agreements for up to ten years, providing for assistance in amounts not in excess of \$10,000,000 for any calendar year, except that for calendar year 1963, he may provide assistance with respect to lands previously covered by conservation reserve contracts in an amount not exceeding an additional \$15,000,000.

The Bankhead-Jones Farm Tenant Act is amended to include protection of fish and wildlife as one of its purposes and to provide for cooperation with Federal, State, and local public agencies in developing and carrying out plans for land conservation, land utilization, and rural renewal activities.

The Watershed Act is amended by adding recreational development as a purpose for cost sharing. The Secretary is authorized to bear up to one-half of the cost of land, easements, and rights-of-way for reservoirs or other areas to be available for public recreation. Cost sharing is conditioned on agreement by a local organization to operate and maintain the reservoir or other area for public use. Public recreational developments on which the Secretary is authorized to share costs are limited to one per 75,000 acres of watershed, with a maximum of three in larger projects. The Secretary is authorized to advance funds to local organizations for acquisition of lands, easements, and rights-of-way to prevent encroachment by other development. New criteria for Federal costs sharing for all purposes other than flood prevention and municipal or industrial water supply based on the principle of "consideration of national needs and assistance authorized for similar purposes under other Federal programs." Assistance to local organizations in developing municipal and industrial water supply for future use is also authorized.

TITLE II -- AGRICULTURAL TRADE DEVELOPMENT

Agreements with private trade for long term dollar credit sales under Title IV, P. L. 480 is authorized, in addition to previous authority for agreements with governments of friendly nations. Use of financial institutions acting in behalf of friendly nations is also authorized. Payment provisions are modified to permit scheduling payments in reasonable rather than approximately equal annual amounts, and the date for beginning annual payments may be deferred for not more than two years after the last delivery in each calendar year. The act provides also for expanded donations to school lunch programs abroad, and encourages partial financing by recipients according to ability to pay.

TITLE III -- COMMODITY PROGRAMS

1963 Feed Grain Program

For the 1963 crop of corn, grain sorghum and barley, producers can participate

voluntarily by reducing their 1959-60 base acreage of those three crops by at least 20 percent and up to 50 percent. As much as 25 acres may be diverted on any farm notwithstanding the 50 percent maximum diversion provision. Participating producers will be eligible for price support on corn at \$1.20 per bushel, to be provided through a loan at a national average rate of \$1.02, and payment-in-kind from CCC stocks of 18 cents per bushel. Participating producers will also receive diversion payments computed at not to exceed 50 percent of the value at the price support level of normal production on the diverted acreage. No price support will be available to nonparticipants. Provisions for producing minor crops on diverted acres are similar to 1962 provisions.

1963 Wheat Program

The act does not change the 55-million acre national allotment. It provides, however, a voluntary diversion program for 1963 crop wheat similar to the 1962 program. Producers will be eligible for price support at \$1.82 per bushel if they do not exceed their farm acreage allotment, and can also voluntarily participate in an acreage diversion program. If they divert at least 20 percent of their wheat allotment (or in the case of small farms, of their average plantings of wheat for 1959, 1960, and 1961) to conservation uses, they will be eligible for diversion payment at not to exceed 50 percent of the value of normal production on the diverted acreage, and for payment-in-kind at a rate of 18 cents per bushel on the normal production of the acreage devoted to wheat.

Provisions relating to the production of minor crops on diverted acres are similar to those for feed grains.

1964 Feed Grain Program

Beginning with the 1964 crop, corn price supports will be between 50 and 90 percent of parity at such a level as the Secretary determines will not add to CCC stocks of corn. Price supports for other feed grains will be related to corn. No provision is made for acreage diversion after 1963.

Long-range Wheat Program

One principal feature of the permanent wheat provisions of the act will eliminate the 55 million acre national allotment, authorize the Secretary to estimate the requirements for wheat in any year, and to announce an acreage allotment large enough to meet those requirements. Producers will qualify for diversion payments for two years on an acreage equal to the difference between their new allotment under the act and their 1961 wheat allotment.

The other principal feature is the marketing certificate program, which will assure producers of price supports between 65 and 90 percent of parity on wheat used for food in the United States, and on a share of exports to

be determined by the Secretary. Any additional wheat produced will be supported at a level related to its feed value and the world wheat price. Noncooperators will receive no price support. If more than one-third of producers voting in the referendum oppose the program, price support will be at 50 percent of parity to cooperators.

Other important provisions include: Permanent termination of the exemption under which any farmer could grow 15 acres of wheat; authority to produce nonsurplus crops on diverted acreage at the discretion of the Secretary; increased allotments for any type of wheat which would otherwise be in short supply; and authority to permit wheat production on feed grain acreages to such extent and under such conditions as will not impair the operation of wheat or feed grain programs.

TITLE IV -- GENERAL

Development of recreational facilities including shifts in land use for that purpose, is added to the purposes for which FHA loans may be made or insured; farming is defined to include fish farming; authority is provided for market promotion in connection with cherry marketing orders; and the CCC is authorized until December 31, 1963, to make feed available to farmers in the interest of maintaining an adequate supply of milk free of contamination by fallout.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued February 1, 1962
For actions of January 31, 1962
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CONTENTS

Adjournment.....	13	Farm program.....	1,14,21,28	Reclamation.....	24
Agricultural conservation program...	1	Food processing.....	3	Recreational loans.....	1
Anti-dumping.....	29	Foreign trade.....	11,22	Recreation resources....	15
Automation.....	32	Forestry.....	15	Research.....	2,31
Budget.....	23	Housing.....	12,16,33	Retirement fund.....	8
Centennial.....	7	Imports.....	27	Rural renewal.....	1
Claims.....	17	Intergovernmental relations.....	9	Soil conservation.....	6
Community facilities.....	1	Land uses.....	1	Training.....	1
Contracts.....	10	Livestock.....	5	Transportation.....	18
Cotton program.....	1,4	Loans.....	1	Water facilities.....	24
Dairy program.....	1	Milk.....	25	Watersheds.....	1
Education.....	19	Personnel.....	8,26	Wheat program.....	1
Education loans.....	1	Public Law 480.....	1	Wilderness.....	20
				Wildlife.....	30

HIGHLIGHTS: Both Houses received farm message. Sen. Humphrey commended farm message. Sen. Curtis urged increased research on industrial uses for farm products. Rep. Cooley introduced and discussed farm bill. Sen. Humphrey and Reps. Cooley and Johnson (Wis.) introduced and Sen. Humphrey discussed bills to continue for 9 months current support prices for milk and butterfat.

SENATE

1. FARM PROGRAM. Both Houses received the President's farm message (H. Doc. 323) (pp. 1177-80, 1192-5). Sen. Humphrey commended the message (pp. 1184-7). The message recommends legislation to:

Amend Title II of Public Law 480 to permit shipments of surplus commodities not in CCC inventory, broaden the purpose of Title IV to include market development, and add a Title V to promote multinational programs for food assistance, authorizing the President to negotiate and carry out agreements for this purpose with international organizations and other intergovernmental groupings.

Provide a wheat program under which national wheat acreage allotments would be established by estimating the actual requirements each year for milling, seed, and export, and deducting a number of bushels that would permit drawing upon surplus stocks on hand to gradually reduce carryover to need; marketing certificates would be used to assure growers a price support level between 75 and 90 percent of parity on the domestic allotment and up to 90 percent on the export

allotment; the national allotment would be apportioned among all growers, including small growers, on the basis of past wheat acreage; and the Department could make payments for mandatory diversion of acreage from wheat to soil-conserving uses and offer such payments as an incentive for further voluntary acreage diversion.

Provide a cotton program under which the acreage allotment would be established at a level which would produce the cotton needed for domestic use and such portion of the cotton exports as the Secretary may determine, and growers could exceed their farm acreage allotment by up to 30 percent, with the cotton produced on the additional acreage to be marketed under a plan which would net the grower approximately the world market price.

Provide a dairy program authorizing support prices of up to 90 percent of parity under a supply management program and reducing expenditures to the cost of acquiring dairy products needed for domestic welfare and foreign assistance programs, up to a maximum of \$300 million a year plus costs incurred in the special milk and school lunch programs, with provisions for marketing allotments, subject to referenda. Authorize continuation until December 31, 1962, of the existing support level on dairy products.

Provide for a comprehensive survey of land uses, undertake a research program on the conversion of land to alternate purposes, and initiate a series of pilot and demonstration land use projects.

Amend the Soil Conservation and Domestic Allotment Act to expand the agricultural conservation program to include payments and cost sharing arrangements, under long-term contracts, which would permit changes in cropping systems and land uses for the conservation and development of soil, water, forests, wildlife, and recreational resources.

Amend the Bankhead-Jones Farm Tenant Act to include the use of land acquired under that Act for recreational development and wildlife protection.

Amend the Watershed Protection and Flood Prevention Act to permit the Department to share in the cost of any land acquired by local organizations for operation as a reservoir of public fish, wildlife, or recreational development, and to provide for loans for recreational facilities.

Expand authority of the Farmers Home Administration to make loans to farmers for recreational enterprises.

Provide "some additional authority" for education loans in rural areas.

Authorize the Farmers Home Administration to finance sewage systems and other rural community facilities.

Authorize (under the Area Redevelopment Administration) loans and technical assistance to local public rural renewal corporations to aid in developing new uses for land and water, create forest industry parks, assist small farmers in farm consolidation and enlargement, and develop needed public facilities, including outdoor recreation, also possibly for vocational and other educational training not otherwise available.

2. RESEARCH. Sen. Curtis urged increased research on possible industrial uses for agricultural products, stated that if "we are to deal with this problem of surpluses and bring a fair and reasonable price to the farmers for their products we must turn our attention to new markets," and contended that the "Department of Agriculture does not lead the way in using research with all of its possibilities of the present day to give to the farmers a fair place in the industrial markets of our country." pp. 1145-7

3. FOOD PROCESSING. Sen. Holland inserted his speech before the annual convention of the National Cannery Association, "Contributions of the Food Processing Industry to a Free Economy." pp. 1181-3

4. COTTON. Sen. Eastland inserted a Miss. Legislature resolution commending Secretary Freeman for his "keen interest in farm problems and cotton farmers' plight in their ever-increasing cost-price squeeze and marketing problems." p. 1134
5. LIVESTOCK. Sen. Hruska inserted an article, "Livestock Market Builder," commending Harry B. Coffee for his leadership in the "phenomenal growth of the Omaha stockyards." pp. 1152-4
6. SOIL CONSERVATION. Sen. Carlson inserted a series of resolutions adopted by the Kan. State Assoc. of Soil Conservation Districts "affecting the welfare of the soil conservation districts as to both State and National problems." pp. 1155-6
7. AGRICULTURAL CENTENNIAL. Sen. Hruska inserted an article commending the centennial celebration of the establishment of the U. S. Department of Agriculture. pp. 1154-5
8. PERSONNEL. Both Houses received from the Budget Bureau an estimate of appropriations necessary to reimburse the civil service retirement and disability fund for the amounts paid out of the fund for fiscal year 1963. pp. 1134, 1227
9. INTERGOVERNMENTAL RELATIONS. Received the annual report of the Advisory Commission on Intergovernmental Relations. p. 1134
10. CONTRACTS. Both Houses received from the Joint Committee on Internal Revenue Taxation a report on the Renegotiation Act of 1951 (H. Doc. 322). pp. 1136, 1227
11. FOREIGN TRADE. Sen. Bush inserted an article on foreign trade, "Clannish Common Market -- Its Members Are Wary of Ties to United States, Other Nations." pp. 1141-2
12. HOUSING. Sen. Dirksen inserted an article opposing the establishment of a Department of Urban Affairs and Housing. p. 1144
13. ADJOURNED until Fri., Feb. 2. p. 1190

HOUSE

14. FARM PROGRAM. Rep. Cooley commended the farm message and discussed the farm bill, saying, "I do not regard the administration bill I have introduced as a blueprint, but as a working document through which our farmers, the administration and the Congress may perfect policies and programs to bring agriculture into an equitable partnership in the Nation's economy and prosperity," and inserted a "Digest of Food and Agriculture Act of 1962," which is attached to this Digest. pp. 1219-22
15. FORESTRY. Received the report of the Outdoor Recreation Resources Review Commission, "Outdoor Recreation for America." p. 1227
16. HOUSING. Rep. Lindsay discussed the proposed Department of Urban Affairs and Housing, saying "The bill that I drafted I think is a better bill than the administration's bill. The concept, however, is the same, and I will support the proposed reorganization plan." pp. 1191-2

Rep. Perkins said, "I would urge that we think realistically on the urban and distressed areas problems as being part and parcel of the same national problem of growth -- technological change and changed economic circumstances in this new era." pp. 1226-7

17. CLAIMS. Subcommittee No. 2 of the Judiciary Committee voted to report to the full committee H. R. 9877, to provide for the settlement of claims against the U. S. by members of the uniformed services and civilian officers and employees of the U. S. for damage to, or loss of, personal property incident to their service. p. D50
18. TRANSPORTATION. Passed with amendments S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State. pp. 1197-1213

ITEMS IN APPENDIX

19. EDUCATION. Speeches in the House by Reps. Hall and Fogarty during debate on H. R. 8900, the proposed College Academic Facilities Act. pp. A712-3, A713-4
20. WILDERNESS. Extension of remarks of Sen. Metcalf inserting an article, "America the Beautiful," in support of the proposed wilderness bill. p. A714
21. FARM PROGRAM. Extension of remarks of Rep. Dole criticizing the President's farm message. p. A728
Extension of remarks of Sen. Neuberger commending the Secretary's speech before the N. J. State Board of Agriculture and inserting that portion of the speech "concerned with the stake of the consumer in the program of the Department of Agriculture." pp. A741-2
22. FOREIGN TRADE. Extension of remarks of Rep. Dent inserting his recent address relating to some of the basic problems of agriculture and foreign trade. pp. A736-8
23. BUDGET. Extension of remarks of Rep. Short criticizing the President's budget and inserting an article, "Big -- But What Is It?" pp. A751

BILLS INTRODUCED

24. RECLAMATION. S. 2776, by Sen. Engle (for himself and Sen. Kuchel), to authorize the modification of the existing project for the New Melones Dam and Reservoir, Stanislaus River, Calif.; to Public Works Committee.
H. R. 10020, by Rep. Trimble, to modify the project for the Beaver Reservoir on the White River, Ark., to permit construction of certain water supply facilities; to Public Works Committee.
25. MILK. S. J. Res. 150, by Sen. Humphrey (for himself and Sen. Proxmire), H. J. Res. 613, by Rep. Cooley, and H. J. Res. 614, by Rep. Johnson, Wisc., to continue for an additional 9 months the current support price for milk and butterfat; to Senate Agriculture and Forestry and House Agriculture Committees.
Remarks of Sen. Humphrey. p. 1138
26. PERSONNEL. H. R. 10003, by Rep. Gilbert, to adjust the rates of basic compensation of certain officers and employees of the Federal Government; to Post Office and Civil Service Committee.

AGRICULTURE PROGRAM

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

AN AGRICULTURE PROGRAM

JANUARY 31, 1962.—Referred to the Committee on Agriculture and ordered to be printed

To the Congress of the United States:

Management of our agricultural resources to meet the triple goals of increased farm income, lower cost to the taxpayer, and reduced farm surpluses continues to be one of the most difficult problems confronting the Nation. A good start was made last year. Net farm income rose \$1 billion, and income per farm increased almost \$350. Government stocks of farm products were reduced for the first time in 9 years. Budgetary costs were below those that would have been incurred under the programs that were replaced. All this was accomplished at the same time food prices were reduced below their level a year earlier.

But the emergency programs enacted last year are expiring. There is a critical need for permanent legislation to consolidate the gains of 1961 and to provide a realistic and comprehensive program for agriculture in the years ahead—a program with which we can continue to move forward toward full utilization of our abundance. The drift toward a chaotic, inefficient, surplus-ridden farm economy, though halted last year, will resume unless prompt action is taken. In addition, new problems have developed in commodities not covered by the 1961 legislation. Unanticipated changes in consumer demand have produced still further surpluses. A reversion to the former programs for wheat and feed grains will inevitably bring both enor-

mous surpluses and depressed farm income, seriously injuring a large segment of our economy.

OUR INCREASING PRODUCTIVITY

Our rapidly growing capacity to produce far outruns the growth of our domestic and foreign demand for food and fiber. This offers us an opportunity to manage abundance, rather than scarcity, an opportunity that is unique among nations of the world. It is relatively new even for the United States.

Early in this century there was serious question whether agriculture could, with the closing of the land frontier, continue to meet the food and fiber demands of a growing population. The rate of growth in farm output was declining, and food and fiber prices were rising relative to other prices. Public policy emphasized resource conservation and investment, and publicly supported research and education were designed to speed progress in agricultural productivity.

By the mid-1920's, these efforts began to bring dramatic results. Agricultural productivity began to rise and farm employment began to decline. But the full implications of this rapid technological progress in agriculture were obscured—first by the depression, then by the Second World War, and then by the Korean conflict. During the depression the overriding problem was the catastrophic decline in demand for farm products, and policy was directed to protecting farm prices and incomes from its consequences. During the war and the Korean conflict, agricultural programs were designed to encourage increases in output to meet emergency demands and to protect farm incomes when these abnormal demands disappeared.

But in the 1950's, agriculture felt the full effects of earlier programs to raise productivity. Farm output increased by more than one-fourth while use of labor declined by one-third. Surpluses accumulated and farm prices were brought under increasing pressure. Prices today are lower relative to other prices than during the first two decades of this century, even though crops are now harvested from 40 million fewer acres. The technological revolution in agriculture continues to increase yield at an accelerating rate. Our ability to produce more than the market can absorb will continue as far into the future as we can safely predict, outpacing population growth. Instead of a shortage of cropland, as many have long predicted, it now appears that by 1980 we will need 50 million fewer acres than we have today.

The commodity programs which were designed primarily to meet the emergencies of depression and war have retained for agriculture itself only a small part of these gains from increasing productivity. Most of the gains have been passed on to consumers. We spend less than 20 percent of our income on food; the Western European spends between 30 and 50 percent of his income on food; and the Russian uses 60 percent of his income for this same purpose. But failure to control production effectively has dissipated some of our potential gains to both farmers and consumers by drawing prime resources into the production and storage of surplus commodities.

THE NEED FOR ACTION

Most industries are able to adjust to excess supply or reduced demand by variations in their rate of production. The larger the number of individual producing units and the more inflexible their production schedules, however, the more difficult it is to make the necessary adjustments. Our farm production is composed of millions of separate producers with schedules that must be planned a year or more in advance. Acting individually, the farmer cannot shift readily away from commodities in surplus. Nor will lower farm prices automatically assure reduced farm output, unless those prices fall to disastrous levels and remain there. Historically, lower prices have been met by increased output, in a desperate effort by the farmer to make his business profitable and to stay on the land.

Four independent studies, by Cornell University, Iowa State University, the Joint Economic Committee of Congress, and the Senate Committee on Agriculture and Forestry, show how sharp would be the drop in farm prices and farm income if farm programs were abandoned. These studies agree that wheat prices would be sliced almost in half, oats prices 25 percent, barley 28 percent, soybeans 38 percent, grain sorghums 22 percent, and dairy 17 percent. Non-price-supported commodities would also suffer. Livestock commodities would drop 24 percent, egg prices 20 percent, cattle prices 25 percent, hogs 30 percent, and broilers and turkeys even lower than this year.

Nor can the Federal Government be expected to undertake an indefinite program of large and unpredictable budget expenditures to acquire stocks of commodities that we do not need and cannot use. By the beginning of 1961—when the emergency legislation was introduced to reduce inventories—the Commodity Credit Corporation had over \$9 billion in loans and inventories. Carrying costs exceeded \$1 billion a year.

This large and continuing expenditure did not result in any increased income to the farmer. The 1.5 million efficient family farms which produce 87 percent of our total production are technically progressive, but their return on labor and capital has not kept pace with the rest of the population. Their incomes are highly sensitive to year-to-year fluctuations in farm output, especially when it is unrelated to demand.

The other 2 million or more farm operators who produce 13 percent of all farm products sold have especially low incomes because they own or control too little land or too little capital, and often possess too little skill or managerial ability.

Smalltown and rural America is dependent for prosperity upon the farmer. An improvement in his standard of living and in his income is immediately reflected in an improvement in the economy of the small urban center in his community. Any program should bear in mind this factor.

Our two goals—improving income and reducing costs—can both be achieved only if farm output can be reduced below needs for several years and then be allowed to increase at a rate equal to the growth in demand. That is the framework of logic and fact in which we now propose a broad new farm program—a program in four parts—each equally important and all interdependent.

OBJECTIVES

The new program should use the successful emergency legislation passed last year to establish guidelines and should also rely upon those proven techniques and methods that have been employed in the past. It should be designed—

(1) To make maximum use of our productive abundance. Our agricultural resources can advance the cause of peace and freedom throughout the world; they assure Americans of a high standard of living; they can be an important weapon against poverty and disease.

(2) To seek a balance between production and demand that will avoid the waste of private effort and public resources. Rice, peanuts, and tobacco already enjoy well-balanced programs whose principles can be extended to other crops. Properly balanced, agriculture can make a major contribution toward economic stability. The farmer, the consumer, and the taxpayer can all share in the benefits; without such balance, all may suffer.

(3) To provide for conservation of our land and water resources. Land and water not needed to produce food and fiber should be directed to alternative uses of benefit to the Nation.

(4) To initiate and expand programs for the development of human resources and renewal of rural communities. Each year 1 million people move from the farm to the city. Many others seek part-time employment to supplement meager returns from farm labor. The hardship and suffering this often entails should be alleviated, and these workers assisted in their efforts to acquire needed skills, obtain jobs, and further their education.

Abundance, balance, conservation, development—these are our commonsense goals—as commonsense as A B C D. The program that follows—an A-B-C-D farm program for the sixties—is designed to meet those goals.

This is a program for maximum freedom and flexibility in the operation of individual farm enterprises. Improvements in farming efficiency as well as shifts among enterprises must not only be allowed—they must be encouraged. They are in the longrun national interest; they are consistent with this program's overall objectives.

The new commodity programs recommended could become effective only after they are approved democratically by a two-thirds majority in a producer referendum. Producers of cotton, tobacco, rice, peanuts, and wheat have long followed this procedure of choosing jointly to exert a measure of control over the production and marketing of their crops, just as industry groups exercise control over the product of their labor and investment. This democratic procedure can be extended to other farm commodities.

I. EXPANDED USE OF AGRICULTURAL ABUNDANCE

Last year there was a greater expansion of our food utilization programs than ever before in our history.

Eighty-five thousand more schools, child-care centers, and camps are receiving fresh milk that previously had no such opportunity. Seven hundred thousand more children enjoy a hot school lunch.

Both the quantity and the variety of food distributed to more than 6 million needy persons has been increased substantially.

A pilot food stamp program in eight communities has brought such encouraging results that its administrative expansion in a further trial period to many additional communities is justified and is included in the new budget.

We have also increased our shipments of food to other nations under Public Law 480, thus using our agricultural abundance to combat hunger and contribute to economic development throughout the free world. We have stepped up our emphasis on school-lunch programs abroad, thus encouraging both education and better nutrition for the rising generation, on which so much of the future of these new nations depends. We shall continue to expand these programs wherever feasible.

We have markedly increased programs under which U.S. food is used to further projects for social and economic development in emerging nations. Today American agricultural abundance assists such projects in 11 countries, as compared with only 2 in 1960. And more than three-fourths of the local currency accruing from the sales authorized under title I in 1961 will be used for economic development programs.

Our overall shipments under Public Law 480 during this fiscal year will reach an estimated 22 percent more than those of the previous fiscal year.

Last year the Congress extended and improved Public Law 480. In order that our food-for-peace program can be made even more effective in the future, I recommend—

(1) An amendment of title II of Public Law 480 to permit shipments of surplus commodities such as dried beans and peas not in CCC inventory;

(2) Provisions to broaden the purpose of title IV to include market development; and

(3) A new title V to promote multinational programs for food assistance, authorizing the President to negotiate and carry out agreements for this purpose with international organizations and other intergovernmental groupings.

II. I RECOMMEND NEW PROGRAMS FOR FEED GRAINS, WHEAT, AND DAIRY PRODUCTS TO ACHIEVE THE PROPER BALANCE BETWEEN PRODUCTION AND DEMAND, AND MODIFICATION OF THE COTTON PROGRAM

Feed grains

For 9 consecutive years, prior to 1961 feed grain surpluses increased. The cost of carrying corn and grain sorghum inventories rose to nearly \$500 million in 1961, and the total program cost rose to a record level.

The 1961 feed grain program has reversed this trend. The 1961 crop was 800 million bushels smaller than it would have been without the program. The feed grain carryover will drop for the first time in a decade. A program similar to that of 1961 remains in operation for 1962 only. Without new legislation, the programs which failed us in the 1950's will automatically take effect again in 1963.

The feed grain program I recommend is designed to reduce feed grain output to a level that will maintain prices and incomes in the

feed grain and livestock sectors of the farm economy without continuous ever-higher surplus accumulation. This can be accomplished by establishing a mandatory acreage allotment on all feed grains large enough to meet annual domestic and export requirements, for all purposes under all programs, less that amount which is to be deducted from the carryover stocks to reduce them gradually to a level no higher than that required for stability and security. Producers would share in the national allotment on the basis of past production, adjusted for unusual circumstances. Payments for diverted acreage would, of course, continue to be made to support farm income while surplus stocks are being reduced.

Initiation of this program is proposed for the 1963 crop year, subject to approval by a producer referendum.

Wheat

The problems of wheat production are much the same as for feed grains. Large inventories and high program costs were inherited from the 1950's. The temporary 1962 wheat program is expected to halt the accumulation of wheat surpluses, but the old programs—which have already failed—will become effective again for the 1963 crop unless legislation is promptly enacted.

I recommend a wheat program which will reduce wheat stocks to manageable levels, improve the competitive position of American wheat in world markets, and maintain the incomes of wheat producers. To achieve these objectives, national wheat acreage allotments will be established by estimating the actual requirements each year for milling, seed, and for export, and deducting a number of bushels that will permit us to draw upon our surplus stocks on hand to gradually reduce the carryover to the level required for stability and security. Marketing certificates would be used to assure growers a price-support level between 75 and 90 percent of parity on the domestic allotment and up to 90 percent on the export allotment. The national allotment would be apportioned among all growers, including small growers, on the basis of past wheat acreage. The Secretary of Agriculture will have authority to make payments, which will help to maintain producers' incomes, for mandatory diversion of acreage from wheat to soil-conserving uses, and to offer such payments as an incentive for further voluntary acreage diversion.

Initiation of this program is necessary for the 1963 crop year. As in the case of feed grains, it would be subject to approval by a producer referendum.

Cotton

Cotton suffers chiefly from the attempt to adopt a single legislative program to widely divergent crop needs. There is a sharp conflict between the demand for cheap cotton that can compete effectively with substitute fibers and the need for support levels high enough to assure farmers an adequate income; between the interest of textile mill owners—who face stiffening world competition—in low raw material costs and in the interest of the producer in income sufficiently high to cover his costs; and between our Nation's desire to expand further our world trade in cotton and to hold down a Federal budget already augmented by cotton export subsidies. These conflicts can best be reconciled by a program which establishes a support price

upon allotted acreage but permits efficient producers to grow additional acreage at the world price.

I recommend that the Secretary of Agriculture be given authority to—

(1) Establish the acreage allotment at a level which would produce the cotton needed for domestic use and such portion of the cotton exports as he may determine.

(2) Authorize growers to exceed their farm acreage allotment by up to 30 percent, with the cotton produced on the additional acreage to be marketed under a plan which will net the grower approximately the world market price.

Dairy products

Milk and dairy products constitute one of our most important sources of nutrients. They are also one of our most valuable farm products, bringing twice the cash income of the basic crops.

Incomes of dairy farmers were improved by the bill passed by Congress late in 1960 to increase the support price for milk from \$3.06 to \$3.22 per hundred pounds and by the increase in the support price last March to \$3.40 per hundred pounds for the current marketing year.

Unfortunately, milk producers now face a serious setback. An unexpected decline in the consumption of milk during the past year, amounting to nearly 3 billion pounds, will result in Government expenditures this year of approximately \$500 million to support the prices of dairy products. There is no evidence as yet that this decline in consumption will be reversed in the year ahead. Under the present law, the Secretary of Agriculture is not authorized to set the price-support rate for milk above 75 percent of parity unless "necessary in order to assure an adequate supply." Under this law, in the present supply situation, the reduced support price must be announced for the marketing year beginning next April 1.

Such a reduction in milk price supports will gravely impair the incomes of milk producers. It will not, however, succeed in reducing Government expenditures to a reasonable and justifiable level. Even at 75 percent of parity—the minimum level specified in the present law—Government costs for supporting prices of dairy products will probably exceed \$440 million next year, as production continues to exceed consumption.

New legislation to correct the shortcomings of the present dairy price support laws is, therefore, urgently required, for the benefit of both farmer and taxpayer. I recommend passage by the Congress of legislation which will (a) maintain the income of the dairy farmers by establishing support prices of up to 90 percent of parity under a supply management program; and (b) reduce the budgetary expenditures for the dairy price support program to the cost of acquiring dairy products needed for domestic welfare and foreign assistance programs, up to a maximum of \$300 million per year, plus the costs incurred in the special milk and school lunch programs.

Each milk producer would be assigned a marketing base equal to his marketings of milk in 1961. His marketing allotment for the current year would reflect a percentage of his base proportionate to his share of the estimated commercial demand and the quantities needed for Government programs in the national interest. Pro-

ducers who market milk in excess of their allotments would pay surplus marketing fees on such milk, which would be used to purchase and dispose of the surplus products produced from excess milk.

Milk producers would be provided an opportunity to vote upon this program in a referendum. In the event the milk producers reject this program a support price would be established at such a level as to limit budgetary expenditures to \$300 million a year. Authority is also requested to include supply management provisions in Federal milk marketing orders when desired by milk producers in markets regulated under such orders.

While this legislation is being considered and implemented, in order to prevent disruption of markets by reduction of price supports to 75 percent of parity as required under the present law on April 1, 1962, I recommend enactment of a joint resolution authorizing the continuation of price supports on dairy products at the current level until December 31, 1962.

III. EFFICIENT CONSERVATION AND UTILIZATION OF LAND

The scope of agricultural technology promises abundance tomorrow as well as today. For the first time in our history we can confidently predict that our future food and fiber needs can be met with fewer acres of cropland. In spite of a 65 million increase in population by 1980, our farms will be able to produce all we need with 50 million fewer acres than we have in cropland today.

This prospect offers us an opportunity to take advantage of the unused acres for a wide range of recreational, esthetic, and economic purposes. Land-use changes are not only important to balanced production, they can also supply the growing demand for outdoor recreational areas and wildlife promotion, for woodlots and forests, and for grazing. We can transfer cropland to grass and trees—and we can place greater emphasis on wildlife and recreation development in the small watershed programs.

I recommend legislation to encourage a comprehensive survey of land uses, to undertake a research program on the conversion of land to alternate purposes, and to initiate a series of pilot and demonstration land-use projects. As the pilot plan is evaluated and a permanent program for land use developed, it will be possible for our supply management efforts to place less emphasis on temporary diversion of acreage from the production of specific crops, and more on the permanent utilization of acreage to fulfill other public needs.

An effective land-use program also requires the following additional legislation:

- (1) Amendment of the Soil Conservation and Domestic Allotment Act to expand the agricultural conservation program to include payments and cost sharing arrangements, under long-term contracts, which would permit changes in cropping systems, and land uses for the conservation and development of soil, water, forests, wildlife, and recreational resources.

- (2) Amendment of the Bankhead-Jones Farm Tenant Act to include the use of land acquired under that act for recreational development and wildlife protection.

- (3) Amendment of the Watershed Protection and Flood Prevention Act to permit the Secretary to share in the cost of any

land acquired by local organizations for operation as a reservoir of public fish, wildlife, or recreational development.

(4) Modification of the Watershed Act to provide for loans for recreational facilities.

(5) Expansion of the authority of the Farmers Home Administration to make loans to farmers for recreational enterprises.

Additional legislation for conservation of our renewable resources is also necessary. These recommendations will be included in a message I will send to the Congress devoted to proposals for the maximum utilization of our land resources.

IV. DEVELOPMENT AND UTILIZATION OF AGRICULTURE'S HUMAN RESOURCES

The Department of Agriculture has launched a series of programs for the development and renewal of rural areas and rural communities. These programs are designed to end rural poverty by offering new opportunities—both agricultural and nonagricultural—to rural people. Activities of the Rural Electrification Administration, the Farmers Home Administration, the Federal Extension Service and other Department agencies are being coordinated under the rural area development program in close cooperation with the Area Redevelopment Administration.

To make the most of the human resources in these rural areas, there is one need that transcends all others—that is education. Education can give them new vistas, new opportunities, new skills in place of the poverty that no price-support program will ever remove.

Most of the necessary activities are already authorized by law. However, some additional authority is needed.

In many rural areas, the difficulty of financing adequate safe and sanitary housing and modern community facilities such as water and sewage systems, recreational installations, and transportation, has deterred general community improvement and more rapid industrialization. I recommend, therefore, new legislation to enable the Farmers Home Administration to finance sewage systems and other rural community facilities.

RURAL RENEWAL AND EDUCATION

In some rural areas the general level of economic activity and family income is so low, and the lack of community facilities so acute, that a complete new development operation is the only sensible solution—a program of “rural renewal.”

For these areas, in addition to the nationwide rural area development program, I recommend a new legislative program under the Area Redevelopment Administration, to provide loans and technical assistance to local public rural renewal corporations. These corporations would aid in developing new uses for land and water, create forest industry parks, assist small farmers in farm consolidation and enlargement, and develop needed public facilities, including outdoor recreation. The bill would permit loans to approved public agencies to acquire, develop, and dispose of land for these purposes, and provide for other loans to individual farmers to establish recreational facilities and other income-producing enterprises. Consideration might also

be given to making loans available to rural citizens, both young and old, for vocational and other educational training not otherwise available but essential to their preparation for nonfarm jobs.

CONCLUSION

The goals of this program for food and agriculture are goals on which there is broad general agreement.

First, we seek to enable efficient farm operators to earn incomes equivalent to those earned in comparable nonfarm occupations.

Second, we seek continued production of food and fiber at reasonable prices in quantities sufficient to meet the needs of all Americans and to combat hunger and contribute to economic development throughout the free world.

Third, since we seek abundance for our children as well as for ourselves, we must conserve and use wisely our resources of land and water.

Fourth, we seek to end rural poverty. Farm children, and many farm adults as well, need improved opportunities for education and training, to equip them to earn an American standard of living in whatever occupation they freely choose to follow.

We will enjoy the fruits of the technological revolution in American agriculture only if we recognize its implications. We must learn to live with an agricultural economy of abundance rather than scarcity. That is the purpose of the approach I have outlined—a comprehensive, long-range program to replace the present patchwork of short-run emergency measures.

JOHN F. KENNEDY.

THE WHITE HOUSE, *January 31, 1962.*



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1891

87TH CONGRESS
2D SESSION

H. R. 10010

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture Act
4 of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 "(e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 changes in cropping systems and land uses and for practices
23 or measures to be carried out on any lands owned or operated
24 by them for the purpose of conserving and developing soil,
25 water, forest, wildlife, and recreation resources. Such agree-

ments shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

“(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

“(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

“(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

“(5) In any case where the Secretary deems it desirable he may as a condition to entering into an agreement hereunder require, notwithstanding the provisions of any other law, the surrender of any crop history or allotment applicable to land covered by the agreement for the purpose of any

1 Federal program under which such crop history or allotment
2 is used as a basis for an allotment or other limitation on the
3 production of such crop.

4 “(6) There is hereby authorized to be appropriated such
5 sums as may be necessary to carry out this subsection.”

6 SEC. 102. Section 31 and subsections (a), (b), (c),
7 and (e) of section 32 of title III of the Bankhead-Jones
8 Farm Tenant Act (50 Stat. 525), as amended, are amended
9 to read as follows:

10 “SEC. 31. The Secretary is authorized and directed to
11 develop a program of land conservation and land utilization,
12 including the more economic use of lands and the retirement
13 of lands which are submarginal or not primarily suitable for
14 cultivation, in order thereby to correct maladjustments in
15 land use, and thus assist in controlling soil erosion, reforesta-
16 tion, [providing public recreation,] preserving natural re-
17 sources, protecting fish and wildlife, mitigating floods, pre-
18 venting impairment of dams and reservoirs, conserving
19 surface and subsurface moisture, protecting the watersheds
20 of navigable streams, and protecting the public lands, health,
21 safety, and welfare.

22 “SEC. 32. To effectuate the program provided for in
23 section 31 of this title, the Secretary is authorized—

24 “(a) to acquire by purchase, gift, or devise, or by
25 transfer from any agency of the United States or from

any State, territory, or political subdivision, any lands, or rights or interests therein, which he deems necessary to carry out the purposes of this title. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title: *Provided*, That the land purchases hereunder shall be limited to those which the Secretary determines would not have a serious adverse effect on the economy of the county or community in which the land is located;

“(b) to protect, improve, develop, and administer any property so acquired and to construct, operate, and maintain such structures thereon as may be necessary to adapt it to its most beneficial use;

“(c) to sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however*, That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary finds that such exchange

would not conflict with the purposes of this title, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies. The Secretary may, where he determines it necessary to accomplish the purposes of this title, convey property acquired after the date of this amendment to carry out such purposes to any agency, governmental or otherwise, or any person, upon such terms and conditions as he deems advisable: *Provided*, That this authority shall not be applicable to lands acquired in exchange for lands acquired prior to the date of this amendment;

(c) “(d) to cooperate, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most

effectively the purposes of this title, and to disseminate information concerning these activities.”

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: “*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further*, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, ease-

1 ments or rights-of-way; and, except where such costs
2 are to be borne by the Secretary, such advance shall be
3 repaid by the local organization, without interest, prior
4 to construction of the works of improvement, for credit
5 to such construction funds.”

6 (2) Clause (A) of paragraph 2 of section 4 of said
7 Act is amended to read as follows: “(A) such propor-
8 tionate share, as is determined by the Secretary to be
9 equitable in consideration of national needs and assist-
10 ance authorized for similar purposes under other Federal
11 programs, of the costs of installing any works of improve-
12 ment, involving Federal assistance (excluding engineer-
13 ing costs), which is applicable to the agricultural phases
14 of the conservation, development, utilization, and dis-
15 posal of water or for fish and wildlife or recreational
16 development, and”.

17 TITLE II—AGRICULTURAL TRADE

18 DEVELOPMENT

19 SEC. 201. Title II of the Agricultural Trade Develop-
20 ment and Assistance Act of 1954, as amended, is further
21 amended as follows:

22 (1) Section 201 is amended by striking out the
23 words “out of its stocks”.

24 (2) Section 202 is amended by striking out “from
25 Commodity Credit Corporation stocks” and substituting

1 “ (as defined in section 106 of title I) made available by
2 Commodity Credit Corporation”.

3 SEC. 202. Title IV of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended, is further
5 amended as follows:

6 (1) Section 401 is amended by adding at the end
7 thereof the following new sentence: “It is also the pur-
8 pose of this title to stimulate and increase the sale of
9 surplus agricultural commodities for dollars through
10 long-term supply agreements and through the extension
11 of credit for the purchase of such commodities, by agree-
12 ments either with foreign nations or with the private
13 trade, thereby assisting the development of the econ-
14 omies of friendly nations and maximizing dollar trade:
15 *Provided*, That agreements with the private trade shall
16 be limited to the purchase of commodities for use in
17 underdeveloped countries.”

18 (2) Section 402 is amended—

19 (a) by inserting the words “including financial
20 institutions acting in behalf of such nations” after
21 the words “friendly nations”; and

22 (b) by adding at the end thereof the follow-
23 ing new sentence: “In furtherance of the purpose of
24 maximizing dollar sales through the private trade,
25 the Secretary of Agriculture is authorized to enter

1 into sales agreements with foreign and United States
2 private trade under which he shall undertake to pro-
3 vide for the delivery of surplus agricultural com-
4 modities over such periods of time and under the
5 terms and conditions set forth in this title.”

6 (3) Section 403 is amended—

7 (a) by deleting the words “approximately
8 equal” from the last sentence thereof and substitut-
9 ing therefor the word “reasonable”; and

10 (b) by inserting after the word “agreement” in
11 the last sentence thereof the following: “except that
12 the date for beginning such annual payments may
13 be deferred for a period not later than two years
14 after such date of last delivery;”

15 (4) Section 405 is amended to read as follows:

16 “In entering into agreements with friendly nations
17 for the sale of surplus agricultural commodities, the Presi-
18 dent may, to the extent deemed practicable and in the
19 best interests of the United States, permit other friendly
20 and historic supplying nations to participate in supply-
21 ing such commodities under the sales agreement on the
22 same terms and conditions as those applicable to the
23 United States.”

24 (5) Section 406 is amended by inserting after the
25 word “Sections” the following: “101 (b) and (c)”.

1 SEC. 203. A new title V is added at the end of the Agri-
2 cultural Trade Development and Assistance Act of 1954, as
3 amended, as follows:

4 “TITLE V—MULTILATERAL FOOD PROGRAMS

5 “SEC. 501. The purpose of this title is to utilize surplus
6 agricultural commodities produced in the United States in
7 programs of economic development, emergency assistance,
8 and special feeding carried out through the United Nations
9 system or other intergovernmental organizations.

10 “SEC. 502. In furtherance of the foregoing purpose, the
11 President is authorized to negotiate and carry out agreements
12 with such intergovernmental organizations to provide for
13 the transfer on a grant basis of surplus agricultural com-
14 modities from stocks of the Commodity Credit Corporation
15 or from private stocks procured by the Corporation for the
16 purposes of this title, to such organizations for use in pro-
17 grams of economic development, emergency assistance, and
18 special feeding.

19 “SEC. 503. In entering into such agreements the Pres-
20 ident shall secure commitments from such international
21 organizations that reasonable precautions will be taken to
22 assure that agricultural commodities utilized in the program
23 shall not displace or interfere with sales of agricultural com-
24 modities produced in the United States.

25 “SEC. 504. For the purpose of carrying out agreements

1 entered into by the President under this title, Commodity
2 Credit Corporation is authorized to make available surplus
3 agricultural commodities either from its stocks or by procure-
4 ment from private stocks, and to pay with respect to com-
5 modities made available hereunder, in addition to the cost
6 of procurement of commodities from private stocks, the cost
7 of processing, packaging, transportation, handling, and other
8 charges up to the time of their delivery free alongside ship
9 or free on board export carrier at point of export: *Provided,*
10 That after June 30, 1963, the Commodity Credit Corpora-
11 tion shall not incur any costs in carrying out this title unless
12 the Corporation has received funds to cover such costs from
13 appropriations made to carry out the purposes of this title.

14 “SEC. 505. There are hereby authorized to be appro-
15 priated such sums as may be necessary to carry out the pur-
16 poses of this title, and such amounts as may be necessary to
17 reimburse the Commodity Credit Corporation for all costs
18 incurred by it hereunder including the Corporation’s invest-
19 ment in commodities made available from its stocks.”

20 TITLE III—MARKETING ORDERS

21 SEC. 301. The Agricultural Adjustment Act, as reen-
22 acted and amended by the Agricultural Marketing Agree-
23 ment Act of 1937, as amended, is further amended as
24 follows:

25 (1) Section 8c (5) (G) is amended by striking the

1 period at the end thereof and adding the following: “on
2 the basis of where such milk was produced.”

3 (2) Section 8c(6) is amended by striking sub-
4 paragraph (I) thereof and section 8c(7) is amended
5 by adding at the end thereof the following:

6 “(E) Establishing or providing for the estab-
7 lishment of marketing research and development
8 projects designed to assist, improve, or promote the
9 marketing, distribution, and consumption of any
10 such commodity or product, the expense of such
11 projects to be paid from funds collected under sec-
12 tion 10 pursuant to the marketing order, except
13 that in the case of orders applicable to milk or its
14 products the order may provide that each producer
15 whose milk is regulated thereby shall pay to any
16 authority or agency established under such order his
17 pro rata share (as approved by the Secretary) of
18 the expenses of such projects, and for the purposes
19 of collecting such funds producers shall be deemed
20 handlers subject to the order: *Provided*, That no
21 provision proposed for inclusion in an order pursuant
22 to this subparagraph shall become effective unless
23 the order is otherwise approved by producers and
24 producer approval of the provision under this sub-
25 paragraph is separately determined as provided in

1 paragraphs (8), (9), (12), and (19) of this
2 section, but failure to approve such provisions shall
3 not affect the remainder of any order otherwise
4 approved.”

5 (3) Section 8c (18) is amended by adding a new
6 sentence at the end thereof as follows: “Notwithstand-
7 ing the foregoing, this paragraph shall not be applicable
8 for any period when producer allotments under section
9 8f are in effect under the order: *Provided*, That in such
10 periods in effectuating the policy under subsections
11 2 (1) and (2) of this title the Secretary in establishing
12 the prices for milk used for fluid purposes shall take into
13 account these factors: (1) the current levels of such
14 prices; (2) adjustments in supply; (3) the relationship
15 between such prices and the prices paid for milk for
16 manufacturing and for other alternative or substitute
17 supplies; and (4) the need for assuring an adequate
18 supply of milk for consumers in the marketing area at
19 reasonable cost.”

20 (4) By adding a new section 8f as follows:

21 “SEC. 8f. Notwithstanding any other provision of this
22 title—

23 “(1) any order issued under section 8c of this title
24 applicable to turkeys or turkey hatching eggs may, in
25 addition to, or in lieu of, the provisions in sections 8c (6)

and (7), contain provisions allotting, or providing methods for allotting, the amount of such commodity or product, or any grade, size, or quality thereof, which each producer may be permitted to market or dispose of in any or all markets or use classifications during any specified period or periods on the basis of (i) the amount produced or marketed by such producer or produced on or marketed from the farm on which he is a producer in such prior period as the Secretary of Agriculture determines to be representative, subject to such adjustment for abnormal conditions and other factors affecting production or marketing as the Secretary may determine, or (ii) the current quantities available for marketing by such producer, or (iii) any combination of (i) and (ii), to the end that the total allotment during any specified period or periods shall be apportioned equitably among producers. Allotments hereunder may be in terms of quantities or other production units. If the Secretary determines that such action will facilitate the administration of a marketing order hereunder he may fix, or provide a method for fixing, a minimum allotment applicable to producers whose marketings in the aggregate will not substantially impair the effective operation of the order and such producers shall not be subject to the

1 regulatory provisions of the order except as prescribed
2 therein;

3 “(2) in the case of milk and its products any order
4 issued under section 8c of this title may, in addition to,
5 or in lieu of, the provisions in sections 8c (5) and (7)
6 contain one or more of the following terms and con-
7 ditions:

8 “(A) Allotting or providing methods for allot-
9 ting the total amount of milk which each producer
10 may market or dispose of not subject to paragraph
11 (B) hereof during any specified period or periods on
12 the basis of the amount marketed by such producer
13 in such prior period as the Secretary of Agriculture
14 determines to be representative, subject to such ad-
15 justment for abnormal conditions and other factors
16 affecting production or marketing as the Secretary
17 may determine to be appropriate to the end that
18 such allotments shall be apportioned equitably
19 among producers.

20 “(B) During any period or periods when pro-
21 ducer allotments are in effect, apportioning, or pro-
22 viding methods for apportioning the total value of
23 milk purchased by any handler or by all handlers
24 so that each producer who exceeds his allotment
25 shall receive for such excess a price which the Secre-

1 tary determines will tend to discourage the produc-
2 tion and marketing of such excess but which shall
3 not be less than 25 per centum of the lowest classified
4 use price established under the order for the period
5 or periods in question.

6 “(C) In the case of producers subject to allot-
7 ments under an order who deliver a portion of their
8 milk to persons not fully regulated by the order,
9 reducing or providing methods for reducing the
10 allotment of, or payments to be received by, any
11 such producer to compensate for any marketings of
12 excess milk to such other persons for such period
13 or periods as necessary to insure equitable partic-
14 ipation in marketings among all producers, and
15 providing for such reports and the keeping of such
16 books and records by the producer and by the per-
17 son or persons to whom he may dispose of such
18 other milk as the Secretary may prescribe.

19 “(D) Whenever national marketing allotments
20 are in effect for milk pursuant to any other statute
21 of the United States, coordinating or providing
22 methods for coordinating any payments made or
23 fees assessed on excess milk pursuant to such Act
24 and the price of or payment for excess milk pursuant

1 to the terms of the order, and facilitating the admin-
2 istration of such national allotments.

3 “(3) the Secretary shall suspend or revoke any
4 provisions establishing allotments for milk producers
5 under an order whenever he finds that the interests of
6 consumers are not being protected under the order by
7 reason of (i) the levels of prices being paid for the
8 various uses of milk in such area exceed generally and
9 for a representative period of time the levels of minimum
10 prices prescribed by the Secretary for such uses in the
11 area, or (ii) supplies of milk for the market area have
12 been reduced to quantities which may endanger an ade-
13 quate supply of milk for such area, giving full considera-
14 tion to the reserves essential to and normal for such
15 area;

16 “(4) in case producer allotments for milk are in
17 effect pursuant to this section, no handler, including a
18 cooperative association, shall make payment to a pro-
19 ducer on milk marketed in excess of his allotment, at a
20 rate other than that prescribed for such excess milk;

21 “(5) the authorization for provisions contained in
22 section 8c (7) (D) shall be applicable to orders con-
23 taining provisions under this section with the same force
24 and effect as though this section was specified therein;

1 “(6) a producer for whom an allotment is estab-
2 lished shall be deemed a handler subject to the order
3 for purposes of sections 8c(14), 8c(15) (B), 8d, and
4 10(b)(2) of this title;

5 “(7) any producer for whom an allotment is es-
6 tablished under the authority of this section may obtain
7 a review of the lawfulness of his allotment as prescribed
8 by the order of the Secretary establishing the allotment
9 and rules and regulations thereunder, which shall con-
10 stitute the exclusive procedure for review thereof and
11 section 8c(15) (A) of this title shall not apply thereto.
12 Under such order, rules, or regulations any officers or
13 employees of the Department or any committees or
14 boards created or designated by the Secretary of Agricul-
15 ture may be vested with authority to perform any or all
16 functions in connection with such review proceedings,
17 including ruling thereon. Committees or boards
18 created or designated for this purpose shall be deemed
19 agencies of the Secretary within the meaning of sub-
20 section 8c(7) (C) and section 10 of this title. The
21 ruling upon such review shall be final if in accordance
22 with law. The producer may obtain a judicial review
23 of such ruling in accordance with the provisions of
24 section 8c(15) (B) of this title;

1 “(8) when allotments for producers of turkeys or
2 turkey hatching eggs are established under this section
3 the order may contain provisions allotting or providing
4 a method for allotting the quantity which any handler
5 may handle so that any and all handlers will be limited
6 as to each producer to the quantity allotted to each
7 producer, and such allotment shall constitute an allot-
8 ment fixed for each handler within the meaning of
9 section 8a (5) of this title.”

10 (5) By adding a new section 8g as follows:

11 “SEC. 8g. Proposals for producer allotment provisions
12 under section 8f in an order with respect to milk or its
13 products shall not be considered with respect to application
14 thereof to an area where provisions under section 8c (5) are
15 already in effect unless there is simultaneous consideration of
16 the need for changes in the existing order to coordinate it
17 with the proposed provisions. Producer approval shall be
18 determined for the order resulting from the combined pro-
19 posal and disapproval thereof shall not affect the existing
20 order previously approved.”

21 TITLE IV—COMMODITY PROGRAMS

22 SUBTITLE A—FEED GRAINS

23 SEC. 401. Subtitle B of title III of the Agricultural
24 Adjustment Act of 1938, as amended, is further amended by
25 inserting after part VI a new part VII as follows:

1 "PART VII—MARKETING QUOTAS—FEED GRAINS

2 "LEGISLATIVE FINDINGS

3 "SEC. 360a. The production of feed grains is a vital
4 part of the agricultural economy of the United States. Feed
5 grains move almost wholly in interstate and foreign com-
6 merce in the form of grains, livestock, and livestock products.

7 "Abnormally excessive and abnormally deficient sup-
8 plies of feed grains on the national market acutely and
9 directly burden, obstruct, and affect interstate and foreign
10 commerce. When the available supply of feed grains is
11 excessive, the prices of feed grains are unreasonably low and
12 farmers overexpand livestock production to find outlets for
13 feed grains. Excessive supplies of feed grains cause the
14 marketing of excessive supplies of livestock in interstate and
15 foreign commerce at sacrificial prices, endanger the financial
16 stability of producers, and overtax the handling, processing,
17 and transportation facilities through which the flow of inter-
18 state and foreign commerce in feed grains, livestock, and
19 livestock products is directed. Deficient supplies of feed
20 grains result in substantial decreases in livestock production
21 and in an inadequate flow of livestock and livestock products
22 in interstate and foreign commerce, with the consequence of
23 unreasonably high prices to consumers and loss of markets
24 for producers.

25 "The principal grains used for livestock feed are corn,

1 barley, grain sorghums, and oats. Although certain feed
2 grains are better suited for production in some areas than
3 other feed grains, in general, one of several feed grains can
4 be grown on the same land. A marketing program which
5 provides for a single quota applicable to feed grains and
6 which permits producers to determine, within the quota,
7 which feed grains they shall produce will tend to effectuate
8 the policy of the Act and will permit producers the maximum
9 amount of freedom of choice consistent with the attainment
10 of the policy of the Act.

11 “The conditions affecting the production and marketing
12 of feed grains are such that, without Federal assistance,
13 farmers, individually or in cooperation, cannot effectively
14 provide for a balanced supply of feed grains and the orderly
15 marketing of feed grains in interstate and foreign commerce
16 at prices which are fair and reasonable to farmers and
17 consumers.

18 “The national public interest and general welfare require
19 that the burdens on interstate and foreign commerce above
20 described be removed by the exercise of Federal power.
21 Feed grains which do not move in the form of feed grains
22 outside of the State where they are produced are so closely
23 and substantially related to feed grains which move in the
24 form of feed grains outside of the State where they are pro-
25 duced, and have such a close and substantial relation to the

1 volume and price of livestock and livestock products in inter-
2 state and foreign commerce, that it is necessary to regulate
3 feed grains which do not move outside of the State where
4 they are produced to the extent set forth in this Act.

5 “The diversion of substantial acreages from feed grains
6 to the production of commodities which are in surplus supply
7 or which will be in surplus supply if they are permitted to be
8 grown on the diverted acreage would burden, obstruct, and
9 adversely affect interstate and foreign commerce in such
10 commodities, and would adversely affect the prices of such
11 commodities in interstate and foreign commerce. Small
12 changes in the supply of a commodity could create a sufficient
13 surplus to affect seriously the price of such commodity in
14 interstate and foreign commerce. Large changes in the
15 supply of such commodity could have a more acute effect on
16 the price of the commodity in interstate and foreign com-
17 merce and, also, could overtax the handling, processing, and
18 transportation facilities through which the flow of interstate
19 and foreign commerce in such commodity is directed. Such
20 adverse effects caused by overproduction in one year could
21 further result in a deficient supply of the commodity in the
22 succeeding year, causing excessive increases in the price of
23 the commodity in interstate and foreign commerce in such
24 year. It is, therefore, necessary to prevent acreage diverted
25 from the production of feed grains to be used to produce com-

1 modities which are in surplus supply or which will be in
2 surplus supply if they are permitted to be grown on the di-
3 verted acreage.

4 "NATIONAL MARKETING QUOTA

5 "SEC. 360b. (a) Whenever prior to June 20 in any
6 calendar year the Secretary determines that the total supply
7 of feed grains in the marketing year beginning in the next
8 succeeding calendar year will, in the absence of a marketing
9 quota program, likely be excessive, the Secretary shall pro-
10 claim that a national marketing quota for feed grains shall
11 be in effect for such marketing year and for either the
12 following marketing year or the following two marketing
13 years, if the Secretary determines and declares in such
14 proclamation that a two- or three-year marketing quota
15 program is necessary to effectuate the policy of the Act.

16 " (b) If a national marketing quota for feed grains has
17 been proclaimed for any marketing year, the Secretary shall
18 determine and proclaim the amount of the national market-
19 ing quota for such marketing year not earlier than January
20 1 or later than June 20 of the calendar year preceding the
21 year in which such marketing year begins. The amount of
22 the national marketing quota for feed grains for any market-
23 ing year shall be an amount of feed grains which, during such
24 marketing year, the Secretary estimates (i) will be utilized
25 in the United States in the production of the volume of live-

1 stock (including poultry) and livestock products determined
2 to be needed to meet domestic consumption and export re-
3 quirements, (ii) will be utilized for human consumption in
4 the United States as food, food products, and beverages, com-
5 posed wholly or partly of feed grains, (iii) will be utilized
6 in the United States for seed and industrial uses, and (iv)
7 will be exported either in the form of feed grains or products
8 thereof; less (i) an amount of feed grains equal to the esti-
9 mated imports of feed grains into the United States during
10 such marketing year and, (ii) if the stocks of feed grains
11 owned by the Commodity Credit Corporation are determined
12 by the Secretary to be excessive, an amount of feed grains
13 determined by the Secretary to be a desirable reduction in
14 such marketing year in such stocks to achieve the policy of
15 the Act: *Provided*, That if the Secretary determines that
16 the total stocks of feed grains in the Nation are insufficient
17 to assure an adequate carryover for the next succeeding
18 marketing year, the national marketing quota otherwise de-
19 termined shall be increased by the amount the Secretary
20 determines to be necessary to assure an adequate carryover.

21 “(c) If, after the proclamation of a national marketing
22 quota for feed grains for any marketing year, the Secretary
23 has reason to believe that, because of a national emergency
24 or because of a material increase in the demand for feed
25 grains, the national marketing quota should be terminated or

1 the amount thereof increased, he shall cause an immediate
2 investigation to be made to determine whether such action is
3 necessary in order to meet such emergency or increase in the
4 demand for feed grains. If, on the basis of such investiga-
5 tion, the Secretary finds that such action is necessary, he
6 shall immediately proclaim such finding and the amount of
7 any such increase found by him to be necessary and there-
8 upon such national marketing quota shall be so increased or
9 terminated. In case any national marketing quota is in-
10 creased under this subsection, the Secretary shall provide for
11 such increase by increasing acreage allotments established
12 under this part by a uniform percentage.

13 "NATIONAL ACREAGE ALLOTMENT

14 "SEC. 360c. Whenever the amount of the national
15 marketing quota for feed grains is proclaimed for any mar-
16 keting year, the Secretary at the same time shall proclaim
17 a national acreage allotment for the crop of feed grains
18 planted for harvest in the calendar year in which such
19 marketing year begins. The amount of the national acreage
20 allotment shall be the number of acres which the Secretary
21 determines on the basis of expected yields and expected
22 underplantings of farm acreage allotments will, together with
23 (1) the expected production of feed grains in the noncom-
24 mercial area, if any, and (2) the expected production on
25 increased acreages resulting from the small-farm exemption

1 pursuant to section 360f, make available a supply of feed
2 grains equal to the national marketing quota for feed grains
3 for such marketing year.

4 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

5 "SEC. 360d. (a) The national acreage allotment for
6 any crop of feed grains, less a reserve acreage of not to
7 exceed 1 per centum thereof for use as provided in sub-
8 section (b) (2) of this section, shall be apportioned by the
9 Secretary among the several States on the basis of the base
10 acreage of feed grains for each State. The State base acreage
11 of feed grains shall be the average acreage of feed grains
12 in the State during the base period, adjusted pursuant to
13 subsection (d) of this section.

14 "(b) (1) The State acreage allotment for any crop of
15 feed grains, less a reserve acreage of not to exceed 3 per
16 centum thereof for use as provided in subsection (c) (2) of
17 this section, shall be apportioned by the Secretary among
18 the counties in the State on the basis of the base acreage of
19 feed grains for each county. The county base acreage of
20 feed grains shall be the average acreage of feed grains in the
21 county during the base period, adjusted pursuant to subsec-
22 tion (d) of this section.

23 "(2) The reserve acreage established pursuant to sub-
24 section (a) of this section shall be used by the Secretary to
25 make increases in county acreage allotments on the basis of

1 the relative needs of counties for an additional share of the
2 national acreage allotment because of reclamation and other
3 new areas coming into the production of feed grains.

4 “(c) (1) The county acreage allotment for any crop
5 of feed grains shall be apportioned by the Secretary, through
6 the county committee, among the farms in the county on
7 the basis of the base acreage of feed grains for each farm.
8 The farm base acreage of feed grains shall be the average
9 acreage of feed grains on the farm during the base period,
10 adjusted pursuant to subsection (d) of this section.

11 “(2) The reserve acreage established pursuant to sub-
12 section (b) (1) of this section shall be available:

13 “(A) For apportionment to farms which were eli-
14 gible to receive farm acreage allotments under this part,
15 but which through error did not receive such allotments;

16 “(B) For making increases in farm acreage allot-
17 ments on the basis of any one or more of the following
18 factors: tillable acres, type of soil, topography, estab-
19 lished crop-rotation practices on the farm, hardship, in-
20 equities in allotments, and such other factors as the Sec-
21 retary determines should be considered for the purpose
22 of establishing fair and equitable farm acreage allotments;
23 and

24 “(C) For apportionment to farms for which farm
25 acreage allotments were not determined because there

were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

“(d) In determining the State, county, and farm base acreages—

“(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

“(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest,

1 land which is regarded as devoted to the production
2 of feed grains under Federal farm programs, established
3 crop-rotation practices on the farm, and such other
4 factors as the Secretary determines should be considered
5 for the purpose of establishing fair and equitable base
6 acreages;

7 “(3) the acreage of feed grains on the farm in
8 excess of the farm acreage allotment shall be excluded
9 in determining the average acreage of feed grains for
10 the State, county, or farm.

11 “COMMERCIAL AREA

12 “SEC. 360e. Notwithstanding any other provision of this
13 part, if the Secretary determines that the establishment of a
14 commercial feed grain area will facilitate the administration
15 of a marketing quota program for feed grains and will not
16 substantially impair the effective operation thereof, he may
17 establish a commercial area for feed grains taking into con-
18 sideration with respect to the commercial area and the non-
19 commercial area one or more of the following factors: the
20 total production of feed grains, the number of farms normally
21 producing feed grains, the average production of feed grains
22 per farm, the value of the total marketings of feed grains, and
23 the extent to which marketings enter into commercial chan-
24 nels outside such area. In establishing a commercial area
25 the Secretary shall, insofar as practicable, observe county

1 boundary lines. The commercial area shall be proclaimed
2 at the time the national marketing quota is proclaimed pur-
3 suant to section 360b, and such national marketing quota
4 shall not be in effect with respect to feed grains produced out-
5 side the commercial area. The national acreage allotment
6 for any crop of feed grains shall be apportioned by the
7 Secretary among the States, counties, and farms in the
8 commercial area on the basis of the provisions of section
9 360d.

10 "SMALL FARM EXEMPTION

11 "SEC. 360f. Notwithstanding any other provision of
12 this part, no farm marketing quota for any crop of feed grains
13 shall be applicable to any farm with a farm base acreage
14 of twenty-five acres or less if the acreage of such crop of
15 feed grains does not exceed the farm base acreage deter-
16 mined for the farm, unless the owner or operator elects in
17 writing on a form and within the time prescribed by the
18 Secretary to be subject to the farm acreage allotment. If
19 the owner or operator of any such farm fails to make such
20 election with respect to any crop of feed grains, (i) for the
21 purposes of section 360h, the farm acreage allotment for such
22 crop of feed grains shall be deemed to be the farm base
23 acreage if the acreage of such crop of feed grains exceeded
24 the farm base acreage, (ii) the land-use provisions of sec-

1 tion 360j shall be inapplicable to the farm, and (iii) such
2 crop of feed grains shall not be eligible for price support.

3 "REFERENDUM

4 "SEC. 360g. If a national marketing quota for feed grains
5 for one, two, or three marketing years is proclaimed, the
6 Secretary shall, not later than sixty days after such proclama-
7 tion is published in the Federal Register, conduct a referen-
8 dum, by secret ballot, of farmers to determine whether they
9 favor or oppose marketing quotas for the marketing year or
10 years for which proclaimed. Any producer who has a feed
11 grain base shall be eligible to vote in any referendum held
12 pursuant to this section, except a producer who has a farm
13 feed grain base of twenty-five acres or less and who does not
14 elect, pursuant to section 360f, to be subject to the farm acre-
15 age allotment. The Secretary shall proclaim the results of
16 any referendum held hereunder within thirty days after the
17 date of such referendum, and if the Secretary determines that
18 more than one-third of the farmers voting in the referendum
19 voted against marketing quotas, the Secretary shall pro-
20 claim that marketing quotas will not be in effect with respect
21 to the crop of feed grains produced for harvest in the calendar
22 year following the calendar year in which the referendum is
23 held. If the Secretary determines that two-thirds or more
24 of the farmers voting in a referendum approve marketing
25 quotas for a period of two or three marketing years, no refer-

1 endum shall be held for the subsequent year or years of such
2 period.

3 "COMPLIANCE

4 "SEC. 360h. (a) (1) The farm marketing quota for any
5 crop of feed grains shall be the actual production of the
6 acreage of feed grains on the farm less the farm marketing
7 excess. The farm marketing excess shall be an amount equal
8 to twice the normal production of the acreage of feed grains
9 on the farm in excess of the farm acreage allotment for such
10 crop: *Provided*, That the farm marketing excess shall be an
11 amount equal to the actual production of the number of acres
12 of feed grains on the farm in excess of the farm acreage allot-
13 ment for such crop, if the producer, in accordance with
14 regulations issued by the Secretary and within the time
15 prescribed therein, establishes to the satisfaction of the
16 Secretary the actual production of such crop of feed grains on
17 the farm: *Provided further*, That if there is an acreage of
18 more than one feed grain on the farm, in determining which
19 acreage is in excess of the farm acreage allotment, the acre-
20 age of the feed grain or grains which will result in the largest
21 penalty computed in accordance with subsection (b) hereof
22 shall be considered as the acreage in excess of the farm
23 acreage allotment.

24 "(2) For the purposes of this section, (i) 'actual pro-

1 duction' of any number of acres of a feed grain on a farm
2 means the actual average yield of such feed grain on the farm
3 multiplied by the number of acres of such feed grain, and
4 (ii) 'normal production' of any number of acres of a feed
5 grain on a farm means the normal yield of such feed grain
6 on the farm multiplied by the number of acres of such feed
7 grain. The normal yield of any feed grain for a farm shall
8 be the average yield of such feed grain determined by the
9 Secretary for the local administrative area during the base
10 period (as defined in subsection (d) (1) of section 360d)
11 adjusted to the extent the Secretary determines necessary for
12 abnormal factors affecting production. The local adminis-
13 trative area shall be such area established pursuant to section
14 8 (b) of the Soil Conservation and Domestic Allotment Act,
15 as amended, in which the farm is located.

16 “(3) In determining the farm marketing quota and
17 farm marketing excess, (i) any acreage of a feed grain
18 remaining after the date prescribed by the Secretary for the
19 disposal of excess acres of such feed grain shall be included
20 as an acreage of feed grains on the farm, and the production
21 thereof shall be appraised in such manner as the Secretary
22 determines will provide a reasonably accurate estimate of
23 such production, (ii) any acreage of any feed grain classified
24 as wheat acreage pursuant to section 337 shall not be con-
25 sidered feed grain acreage, and (iii) any acreage of feed

1 grains disposed of in accordance with regulations issued by
2 the Secretary prior to such date as may be prescribed by the
3 Secretary shall be excluded in determining the farm market-
4 ing quota and farm marketing excess. Marketing quotas for
5 any marketing year shall be in effect with respect to feed
6 grains harvested in the calendar year in which such market-
7 ing year begins notwithstanding that the feed grains are
8 marketed prior to the beginning of such marketing year.

9 “(b) Whenever farm marketing quotas are in effect
10 with respect to any crop of feed grains, the farm marketing
11 excess of any feed grain shall be regarded as available for
12 marketing, and the producers on a farm shall be subject to
13 a penalty on the farm marketing excess of feed grains at a
14 rate per bushel on the amount of feed grains in the farm mar-
15 keting excess equal to 65 per centum of the parity price of
16 the particular feed grain involved as of May 1 of the calen-
17 dar year in which the crop is harvested. Each producer hav-
18 ing an interest in the crop of feed grains on any farm for
19 which a farm marketing excess of feed grains is determined
20 shall be jointly and severally liable for the entire amount of
21 the penalty on the farm marketing excess.

22 “(c) If the farm marketing excess is adjusted down-
23 ward on the basis of actual production as heretofore provided,
24 the difference between the amount of the penalty computed
25 upon the basis of twice the normal production and as com-

1 puted upon the basis of actual production shall be returned
2 to or allowed the producer.

3 “(d) Until the producers on any farm pay the penalty
4 on the farm marketing excess of any crop of feed grains, the
5 entire crop of feed grains produced on the farm and any sub-
6 sequent crop of feed grains subject to marketing quotas in
7 which the producer has an interest shall be subject to a lien
8 in favor of the United States for the amount of the penalty.

9 “(e) Until the penalty on the farm marketing excess of
10 feed grains is paid, each bushel of feed grains produced on
11 the farm shall be subject to the penalty specified in subsec-
12 tion (b) of this section, and such penalty on each bushel of
13 feed grains which is sold by the producer to any person
14 within the United States shall be paid by the buyer, who
15 may deduct an amount equivalent to the penalty from the
16 price paid to the producer. If the buyer fails to collect such
17 penalty, such buyer and all persons entitled to share in the
18 feed grains marketed from the farm or the proceeds thereof
19 shall be jointly and severally liable for such penalty.

20 “(f) The persons liable for the payment or collection
21 of the penalty on any amount of feed grains shall be liable
22 also for interest thereon at the rate of 6 per centum per an-
23 num from the date the penalty becomes due until the date
24 of payment of such penalty.

1 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

2 “SEC. 360i. Notwithstanding any other provision of law,
3 the Secretary may permit producers of wheat to have acre-
4 age devoted to the production of wheat considered as de-
5 voted to the production of feed grains to such extent and
6 subject to such terms and conditions as the Secretary de-
7 termines will not impair the effective operation of this sub-
8 title B.

9 “LAND USE

10 “SEC. 360j. (a) (1) During any year in which mar-
11 keting quotas for feed grains are in effect, the producers on
12 any farm (except a farm for which a farm acreage allot-
13 ment is established pursuant to section 360d (c) (2) (C)) on
14 which any crop is produced on acreage required to be di-
15 verted from the production of feed grains shall be subject
16 to a penalty on such crop, in addition to any marketing quota
17 penalty applicable to such crop, as provided in this subsec-
18 tion, unless (i) the crop is designated by the Secretary as
19 one which is not in surplus supply and will not be in surplus
20 supply if it is permitted to be grown on the diverted acreage,
21 or as one the production of which will not substantially im-
22 pair the purpose of the requirements of this section, or (ii)
23 no feed grains are produced on the farm, and the producers
24 have not filed an agreement or a statement of intention to
25 participate in the payment program formulated pursuant to

1 subsection (b) of this section. The acreage required to be
2 diverted from the production of feed grains on the farm
3 shall be an acreage of cropland equal to the amount by which
4 the base acreage of feed grains for the farm exceeds the
5 farm acreage allotment for feed grains. The actual produc-
6 tion of any crop subject to penalty under this subsection
7 shall be regarded as available for marketing and the penalty
8 on such crop shall be computed on the actual acreage of
9 such crop at the rate of 65 per centum of the parity price
10 per bushel, as of May 1, of the feed grain determined by the
11 Secretary to be the principal feed grain produced in the
12 county, multiplied by the normal yield for such feed grain as
13 defined in section 360h (a). Until the producers on any
14 farm pay the penalty on such crop, the entire crop of feed
15 grains produced on the farm and any subsequent crop of
16 feed grains subject to marketing quotas in which the pro-
17 ducer has an interest shall be subject to a lien in favor of
18 the United States for the amount of the penalty. Each
19 producer having an interest in the crop or crops on acreage
20 diverted or required to be diverted from the production of
21 feed grains shall be jointly and severally liable for the entire
22 amount of the penalty. The Secretary may require the
23 penalty on the production of crops on the diverted acreage
24 to be collected by the purchaser of feed grains produced on
25 the farm. The persons liable for the payment or collection

1 of the penalty under this section shall be liable also for in-
2 terest thereon at the rate of 6 per centum per annum from
3 the date the penalty becomes due until the date of payment
4 of such penalty.

5 “(2) The Secretary may require that the acreage on
6 any farm diverted from the production of feed grains be land
7 which was diverted from the production of feed grains in the
8 previous year, to the extent he determines that such require-
9 ment is necessary to effectuate the purposes of this subtitle.

10 “(3) The Secretary may permit the diverted acreage to
11 be grazed in accordance with regulations prescribed by the
12 Secretary.

13 “(b) The Secretary is authorized to formulate and
14 carry out a program with respect to the 1963, 1964, and 1965
15 crops of feed grains under which, subject to such terms and
16 conditions as he determines are desirable to effectuate the
17 purposes of this section, payments may be made in amounts
18 determined by the Secretary to be fair and reasonable to
19 producers with respect to acreage diverted pursuant to sub-
20 section (a) of this section. The Secretary may permit the
21 producers on the farm to divert from the production of feed
22 grains an acreage, in addition to the acreage diverted pur-
23 suant to subsection (a), equal to 20 per centum of the
24 farm acreage allotment for feed grains: *Provided*, That the
25 producers on any farm may, at their election, divert such

1 acreage, in addition to the acreage diverted pursuant to sub-
2 section (a), as will bring the total acreage diverted on the
3 farm to twenty acres. Such program shall require (1) that
4 the diverted acreage shall be devoted to conservation uses
5 approved by the Secretary; (2) that the total acreage of
6 cropland on the farm devoted to soil-conserving uses, includ-
7 ing summer fallow and idle land but excluding the acreage
8 diverted as provided above and acreage diverted under the
9 land-use provisions for wheat pursuant to section 339, shall
10 not be less than the total average acreage of cropland devoted
11 to soil-conserving uses including summer fallow and idle land
12 on the farm during the base period used in determining the
13 farm acreage allotment adjusted to the extent the Secretary
14 determines appropriate for (i) abnormal weather conditions
15 or other factors affecting production, (ii) established crop-
16 rotation practices on the farm, (iii) participation in other
17 Federal farm programs, (iv) unusually high percentage of
18 land on the farm devoted to conserving uses, and (v) for
19 other factors which the Secretary determines should be con-
20 sidered for the purpose of establishing a fair and equitable
21 soil-conserving acreage for the farm; and (3) that the pro-
22 ducers shall not knowingly exceed (i) any farm acreage
23 allotment in effect for any commodity produced on the farm,
24 and (ii) except as the Secretary may by regulation prescribe,
25 the farm acreage allotments on any other farm for any crop

1 in which the producer has a share: *Provided*, That no pro-
2 ducer shall be deemed to have exceeded a farm acreage allot-
3 ment for wheat if the entire amount of the farm marketing
4 excess of wheat is delivered to the Secretary or stored in
5 accordance with applicable regulations to avoid or postpone
6 payment of the penalty. The producer on any farm for which
7 a farm acreage allotment is established pursuant to section
8 360d (c) (2) (C) shall not be eligible for payments here-
9 under. The Secretary shall provide for the sharing of pay-
10 ment among producers on the farm on a fair and equitable
11 basis. Payments may be made in cash or in feed grains.

12 “(c) The Secretary may provide for adjusting any
13 payment on account of failure to comply with the terms
14 and conditions of the program formulated under subsection
15 (b) of this section.

16 “(d) Not to exceed 50 per centum of any payment to
17 producers under subsection (b) of this section may be
18 made in advance of determination of performance.

19 “(e) The program formulated pursuant to subsection
20 (b) of this section may include such terms and conditions,
21 in addition to those specifically provided for herein, as the
22 Secretary determines are desirable to effectuate the purposes
23 of this section.

24 “(f) The Secretary is authorized to promulgate such

1 regulations as may be desirable to carry out the provisions
2 of this section.

3 “(g) The Commodity Credit Corporation is authorized
4 to utilize its capital funds and other assets for the purpose
5 of making the payments authorized in this section and to
6 pay administrative expenses necessary in carrying out this
7 section during the period ending June 30, 1963. There is
8 authorized to be appropriated such amounts as may be
9 necessary thereafter to pay such administrative expenses.

10 “(h) Notwithstanding any other provision of law, per-
11 formance rendered in good faith in reliance upon action or
12 advice of an authorized representative of the Secretary may
13 be accepted as meeting the requirements of this section, or
14 of subsections (c) and (d) of section 16 of the Soil Conser-
15 vation and Domestic Allotment Act, as amended, and pay-
16 ment may be made therefor in accordance with such action
17 or advice to the extent the Secretary deems it desirable in
18 order to provide fair and equitable treatment.”

19 SEC. 402. Section 2 of the Agricultural Adjustment Act
20 of 1938, as amended, is hereby amended by striking out
21 “and” immediately following the last semicolon, by changing
22 the period at the end thereof to a semicolon, and by adding
23 immediately following such new semicolon the following:
24 “and to reduce the annual carryover of feed grains, to stabi-
25 lize the supply of feed grains at a level consistent with any

1 national policy with respect to commodity reserves, and to
2 provide for an adequate and balanced flow of feed grains
3 so that the prices of feed grains are fair to producers and
4 consumers and the total supply of feed grains available for
5 utilization for livestock feed is maintained at a level which
6 is consistent with the production of the quantities of livestock
7 and the products thereof that will be consumed and exported
8 at prices which are fair to producers and consumers.”

9 SEC. 403. Section 301 of the Agricultural Adjustment
10 Act of 1938, as amended, is hereby amended as follows:

11 (1) Subsection (a) is amended by adding at the
12 end thereof the following new items:

13 “(10) The term ‘feed grains’ means corn, oats,
14 grain sorghums, and barley. The term ‘feed grains’
15 shall also include rye if the Secretary designates such
16 commodity.

17 “(11) The term ‘acreage of feed grains’ means
18 acreage of feed grains planted for harvest (including
19 self-seeded feed grains).

20 “(12) The term ‘crop’ as applied to ‘feed grains’
21 means all of the crops of the agricultural commodities
22 which comprise feed grains and which are produced for
23 harvest in the same calendar year.”

24 (2) Subsection (b) (6) (A) is amended to read
25 as follows:

“(6) (A) ‘Market’, in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of.”

(3) Subsection (b) (7) is amended to read as follows:

“(7) ‘Marketing year’ means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

“Barley, July 1–June 30;

“Corn, October 1–September 30;

“Cotton, August 1–July 31;

“Oats, July 1–June 30;

“Grain sorghums, July 1–June 30;

“Peanuts, August 1–July 31;

“Rice, August 1–July 31;

“Rye, July 1–June 30;

“Tobacco (flue-cured), July 1–June 30;

“Tobacco (other than flue-cured), October 1–September 30;

“Wheat, July 1–June 30.

“‘Marketing year’ means, in the case of ‘feed grains’,

the marketing years for the agricultural commodities comprising the feed grains.”

SEC. 404. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding “feed grains,” after “wheat,” and by changing the period at the end of the section to a comma and adding the following: “and to the review of land-use penalties assessed pursuant to sections 339 and 360j.”

(2) Section 362 is amended by adding at the end thereof the following: “Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer.”

(3) Section 363 is amended by adding “or land-use penalty” after the word “quota” wherever it appears in such section.

SEC. 405. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding “feed grains,” after “wheat,” in subsection (a) thereof.

SEC. 406. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting “corn” wherever it appears and by substituting in lieu thereof “feed grains”; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938,

1 as amended, is further amended by striking out the period at
2 the end of the sentence and inserting at the end thereof the
3 following: "or to effectuate the provisions thereof."

4 SEC. 407. Section 385 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by inserting
6 in the first sentence after "Soil Conservation Act payment,"
7 the following: "payment under section 360j,".

8 SEC. 408. The amendments to the Agricultural Adjust-
9 ment Act of 1938, as amended, made by sections 401 through
10 407 of this Act shall be in effect only with respect to pro-
11 grams applicable to crops planted for harvest in the cal-
12 endar year 1963 or any subsequent year and to the mar-
13 keting years beginning in the calendar year 1963 or any sub-
14 sequent year.

15 SEC. 409. The Agricultural Act of 1949, as amended,
16 is amended as follows:

17 (1) By amending section 105 by deleting subsec-
18 tions (a) and (b) and substituting the following:

19 "(a) Notwithstanding the provisions of section 101 of
20 this Act, beginning with the 1963 crop—

21 "(1) price support for each crop of corn shall be
22 made available at such level not less than 65 per
23 centum or more than 90 per centum of the parity
24 price therefor as the Secretary determines appropriate
25 after consideration of (i) the factors specified in

1 section 401 (b) of this Act, (ii) the supplies of feed
2 grains that would be available during the marketing
3 year at prices approximating the support prices of feed
4 grains, and (iii) consumption goals during the market-
5 ing year for livestock and livestock products, taking into
6 consideration consumption under special governmental
7 programs, and imports and exports of livestock and live-
8 stock products.

9 “(2) price support for each crop of barley, grain
10 sorghums, oats, and rye, respectively, shall be at such
11 level as the Secretary determines is fair and reasonable
12 in relation to the level at which price support is made
13 available for corn, taking into consideration the feeding
14 value of such feed grain in relation to corn and the
15 other factors specified in section 401 (b) of this Act.

16 “(3) if marketing quotas are in effect for the crop
17 of any feed grain, (i) price support for such crop shall
18 be made available only to cooperators, and (ii) if a
19 commercial feed grain-producing area is established for
20 such crop, price support shall be made available only
21 in the commercial feed grain-producing area.

22 “(4) no price support shall be made available for
23 any crop of a feed grain for which a marketing quota
24 is not in effect because of disapproval by producers, and

25 “(5) a ‘cooperator’ with respect to any crop of feed

1 grains produced on a farm shall be a producer who (i)
2 does not knowingly exceed (A) the farm acreage allot-
3 ment for feed grains or any other commodity on the farm
4 or (B) except as the Secretary may by regulation pre-
5 scribe, the farm acreage allotment on any other farm for
6 any commodity in which he has an interest as a producer,
7 and (ii) complies with the land-use requirements of
8 section 360j of the Agricultural Adjustment Act of 1938,
9 as amended, to the extent prescribed by the Secretary.
10 No producer shall be deemed to have exceeded a farm
11 acreage allotment for wheat if the entire amount of the
12 farm marketing excess of wheat is delivered to the
13 Secretary or stored in accordance with applicable regu-
14 lations to avoid or postpone payment of the penalty, but
15 the producer shall not be eligible to receive price support
16 on such farm marketing excess.”

17 (2) By amending section 105 by redesignating
18 subsection (c) thereof as subsection (b).

19 (3) By amending section 401 by inserting after
20 the comma before “(2)” the following: “(2) the in-
21 come needed to provide a farm operator and his family
22 with a return for his labor and investment equal to the
23 return earned by comparable resources in other occupa-
24 tions”, and by renumbering (2), (3), (4), (5), (6),

(7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation is authorized to sell for unrestricted use from its stocks at market prices during such marketing year up to ten million tons, or the equivalent in bushels, of feed grains, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation is authorized to sell for unrestricted use from its stocks at market prices during the marketing year up to two hundred million bushels of wheat."

SUBTITLE B—WHEAT

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and

1 foreign commerce and may also affect the supply and price
2 of livestock and livestock products. In the circumstances,
3 wheat not disposed of prior to such date must be considered
4 in the same manner as mechanically harvested wheat in order
5 to achieve the policy of the Act.

6 “The diversion of substantial acreages from wheat to
7 the production of commodities which are in surplus supply or
8 which will be in surplus supply if they are permitted to be
9 grown on the diverted acreage would burden, obstruct, and
10 adversely affect interstate and foreign commerce in such
11 commodities, and would adversely affect the prices of such
12 commodities in interstate and foreign commerce. Small
13 changes in the supply of a commodity could create a sufficient
14 surplus to affect seriously the price of such commodity in
15 interstate and foreign commerce. Large changes in the sup-
16 ply of such commodity could have a more acute effect on the
17 price of the commodity in interstate and foreign commerce
18 and, also, could overtax the handling, processing, and trans-
19 portation facilities through which the flow of interstate and
20 foreign commerce in such commodity is directed. Such ad-
21 verse effects caused by overproduction in one year could
22 further result in a deficient supply of the commodity in the
23 succeeding year, causing excessive increases in the price of
24 the commodity in interstate and foreign commerce in such
25 year. It is, therefore, necessary to prevent acreage diverted

1 from the production of wheat to be used to produce commodi-
2 ties which are in surplus supply or which will be in surplus
3 supply if they are permitted to be grown on the diverted
4 acreage.

5 “The provisions of this part affording a cooperative
6 plan to wheat producers are necessary in order to mini-
7 mize recurring surpluses and shortages of wheat in inter-
8 state and foreign commerce, to provide for the maintenance of
9 adequate reserve supplies thereof, to provide for an adequate
10 and orderly flow of wheat and its products in interstate and
11 foreign commerce at prices which are fair and reasonable
12 to farmers and consumers, and to prevent acreage diverted
13 from the production of wheat from adversely affecting other
14 commodities in interstate and foreign commerce.”

15 SEC. 411. Section 332 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby amended by striking out
17 the provisions of such section and by inserting in lieu thereof
18 the following:

19 “NATIONAL MARKETING QUOTA

20 “SEC. 332. (a) Whenever prior to May 15 in any cal-
21 endar year the Secretary determines that the total supply of
22 wheat in the marketing year beginning in the next succeed-
23 ing calendar year will, in the absence of a marketing quota
24 program, likely be excessive, the Secretary shall proclaim
25 that a national marketing quota for wheat shall be in effect for

1 such marketing year and for either the following marketing
2 year or the following two marketing years, if the Secretary
3 determines and declares in such proclamation that a two-
4 or three-year marketing quota program is necessary to effec-
5 tuate the policy of the Act.

6 “(b) If a national marketing quota for wheat has been
7 proclaimed for any marketing year, the Secretary shall
8 determine and proclaim the amount of the national market-
9 ing quota for such marketing year not earlier than January 1
10 or later than May 15 of the calendar year preceding the year
11 in which such marketing year begins. The amount of the
12 national marketing quota for wheat for any marketing year
13 shall be an amount of wheat which the Secretary estimates
14 (i) will be utilized during such marketing year for human
15 consumption in the United States as food, food products, and
16 beverages, composed wholly or partly of wheat, (ii) will
17 be utilized during such marketing year in the United States
18 for seed, (iii) will be exported either in the form of wheat or
19 products thereof, and (iv) as the average amount which was
20 utilized as livestock (including poultry) feed in the marketing
21 years beginning in 1959 and 1960; less (i) an amount of
22 wheat equal to the estimated imports of wheat into the
23 United States during such marketing year and, (ii) if the
24 stocks of wheat owned by the Commodity Credit Corpora-
25 tion are determined by the Secretary to be excessive, an

1 amount of wheat determined by the Secretary to be a desir-
2 able reduction in such marketing year in such stocks to
3 achieve the policy of the Act: *Provided*, That if the Secre-
4 tary determines that the total stocks of wheat in the Nation
5 are insufficient to assure an adequate carryover for the next
6 succeeding marketing year, the national marketing quota
7 otherwise determined shall be increased by the amount the
8 Secretary determines to be necessary to assure an adequate
9 carryover.

10 “ (c) If, after the proclamation of a national marketing
11 quota for wheat for any marketing year, the Secretary has
12 reason to believe that, because of a national emergency or
13 because of a material increase in the demand for wheat, the
14 national marketing quota should be terminated or the amount
15 thereof increased, he shall cause an immediate investigation
16 to be made to determine whether such action is necessary
17 in order to meet such emergency or increase in the demand
18 for wheat. If, on the basis of such investigation, the Secre-
19 tary finds that such action is necessary, he shall immediately
20 proclaim such finding and the amount of any such increase
21 found by him to be necessary and thereupon such national
22 marketing quota shall be so increased or terminated. In case
23 any national marketing quota is increased under this sub-
24 section, the Secretary shall provide for such increase by

1 increasing acreage allotments established under this part by a
2 uniform percentage.”

3 SEC. 412. Section 333 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended to read as fol-
5 lows:

6 “NATIONAL ACREAGE ALLOTMENT

7 “SEC. 333. Whenever the amount of the national
8 marketing quota for wheat is proclaimed for any marketing
9 year, the Secretary at the same time shall proclaim a na-
10 tional acreage allotment for the crop of wheat planted for
11 harvest in the calendar year in which such marketing year
12 begins. The amount of the national acreage allotment for
13 any crop of wheat shall be the number of acres which the
14 Secretary determines on the basis of expected yields and
15 expected underplantings of farm acreage allotments will,
16 together with (1) the expected production of wheat in
17 the noncommercial area, if any, and (2) the expected pro-
18 duction on increased acreages resulting from the small-farm
19 exemption pursuant to section 335, make available a supply
20 of wheat equal to the national marketing quota for wheat
21 for such marketing year.”

22 SEC. 413. Section 334 of the Agricultural Adjustment
23 Act of 1938, as amended, is further amended as follows:

24 (1). By striking out “ten” wherever it appears in

1 subsections (a) and (b) thereof and by inserting in
2 lieu thereof "five".

3 (2) By amending subsection (e) thereof by in-
4 serting the following sentence immediately following
5 the eighth sentence thereof: "The land-use provisions
6 of section 339 shall not be applicable to any farm re-
7 ceiving an increased allotment under this subsection, and
8 the producers on such farm shall not be required to
9 comply with such provisions as a condition of eligibility
10 for price support."

11 (3) By repealing subsection (g) thereof and by
12 redesignating subsections (h) and (i) thereof as (g)
13 and (h) respectively.

14 (4) By amending subsection (i) thereof, redesign-
15 nated by this section as subsection (h), by inserting the
16 following sentence immediately following the seventh
17 sentence thereof: "The land-use provisions of section 339
18 shall not be applicable to any farm receiving an addi-
19 tional allotment under this subsection."

20 (5) By striking out of the last sentence of sub-
21 section (i) thereof (added by Public Law 87-357, 87th
22 Congress, 1st session), redesignated by this section as
23 subsection (h), "or 1963".

24 SEC. 414. Part III of subtitle B of title III of the Agri-

1 cultural Adjustment Act of 1938, as amended, is hereby
2 amended by adding immediately after section 334 thereof
3 the following:

4 "COMMERCIAL AREA

5 "SEC. 334a. If the acreage allotment for any State for
6 any crop of wheat is twenty-five thousand acres or less, the
7 Secretary, in order to promote efficient administration of this
8 Act and the Agricultural Act of 1949, may designate such
9 State as outside the commercial wheat-producing area for
10 the marketing year for such crop. If such State is so desig-
11 nated, acreage allotments for such crop and marketing quotas
12 for the marketing year therefor shall not be applicable to any
13 farm in such State. Acreage allotments in any State shall
14 not be increased by reason of such designation. The national
15 acreage allotment for any crop of wheat shall be apportioned
16 by the Secretary among the States, counties, and farms in
17 the commercial wheat-producing area on the basis of the
18 provisions of section 334."

19 SEC. 415. Section 335 of the Agricultural Adjustment
20 Act of 1938, as amended, is hereby amended to read as
21 follows:

22 "SMALL FARM EXEMPTION

23 "SEC. 335. Notwithstanding any other provision of this
24 part, no farm marketing quota for any crop of wheat shall
25 be applicable to any farm with a base of fifteen acres or less

(hereinafter called 'small-farm base acreage') if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1960 and 1961, or such later two-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the small-farm base acreage determined for the farm, if the acreage of such crop exceeds such base acreage, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm, and (v) the producers on the farm shall not be

1 eligible to vote in any referendum held with respect to a
2 marketing quota program applicable to such crop of wheat.”

3 SEC. 416. Section 336 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended to read as
5 follows:

6 “REFERENDUM

7 “SEC. 336. If a national marketing quota for wheat for
8 one, two, or three marketing years is proclaimed, the Secre-
9 tary shall, not later than sixty days after such proclamation
10 is published in the Federal Register, conduct a referendum,
11 by secret ballot, of farmers to determine whether they favor
12 or oppose marketing quotas for the marketing year or years
13 for which proclaimed. Any producer who has a farm acre-
14 age allotment shall be eligible to vote in any referendum
15 held pursuant to this section, except a producer who has a
16 small-farm base acreage for such crop of wheat and who
17 does not elect, pursuant to section 335, to be subject to the
18 farm marketing quota. The Secretary shall proclaim the re-
19 sults of any referendum held hereunder within thirty days
20 after the date of such referendum, and if the Secretary de-
21 termines that more than one-third of the farmers voting in
22 the referendum voted against marketing quotas, the Secre-
23 tary shall proclaim that marketing quotas will not be in effect
24 with respect to the crop of wheat produced for harvest in
25 the calendar year following the calendar year in which the

1 referendum is held. If the Secretary determines that two-
2 thirds or more of the farmers voting in a referendum approve
3 marketing quotas for a period of two or three marketing
4 years, no referendum shall be held for the subsequent year or
5 years of such period."

6 SEC. 417. Section 337 of the Agricultural Adjustment
7 Act of 1938, as amended, is hereby amended by deleting
8 the provisions thereof and substituting the following:

9 "SUBSTITUTION OF FEED GRAINS FOR WHEAT

10 "SEC. 337. Notwithstanding any other provision of law,
11 the Secretary may permit producers of feed grains to have
12 acreage devoted to the production of feed grains considered
13 as devoted to the production of wheat to such extent and
14 subject to such terms and conditions as the Secretary deter-
15 mines will not impair the effective operation of this sub-
16 title B."

17 SEC. 418. The Agricultural Adjustment Act of 1938,
18 as amended, is hereby amended by adding after section 338 a
19 new section as follows:

20 "LAND USE

21 "SEC. 339. (a) (1) During any year in which market-
22 ing quotas for wheat are in effect, the producers on any farm:
23 (except a new farm receiving an allotment from the reserve
24 for new farms) on which any crop is produced on acreage
25 required to be diverted from the production of wheat shall

1 be subject to a penalty on such crop, in addition to any
2 marketing quota penalty applicable to such crops, as pro-
3 vided in this subsection unless (i) the crop is designated by
4 the Secretary as one which is not in surplus supply and will
5 not be in surplus supply if it is permitted to be grown on the
6 diverted acreage, or as one the production of which will not
7 substantially impair the purpose of the requirements of this
8 section, or (2) no wheat is produced on the farm, and the
9 producers have not filed an agreement or a statement of
10 intention to participate in the payment program formulated
11 pursuant to subsection (b) of this section. The acreage
12 required to be diverted from the production of wheat on the
13 farm shall be an acreage of cropland equal to the number
14 of acres determined by multiplying the farm acreage allot-
15 ment by the diversion factor determined by dividing the
16 number of acres by which the national acreage allotment is
17 reduced below fifty-five million acres by the number of acres
18 in the national acreage allotment. The actual production of
19 any crop subject to penalty under this subsection shall be
20 regarded as available for marketing and the penalty on such
21 crop shall be computed on the actual acreage of such crop
22 at the rate of 65 per centum of the parity price per bushel
23 of wheat as of May 1 of the calendar year in which such
24 crop is harvested, multiplied by the normal yield of wheat
25 per acre established for the farm. Until the producers on

1 any farm pay the penalty on such crop, the entire crop of
2 wheat produced on the farm and any subsequent crop of
3 wheat subject to marketing quotas in which the producer
4 has an interest shall be subject to a lien in favor of the United
5 States for the amount of the penalty. Each producer having
6 an interest in the crop or crops on acreage diverted or
7 required to be diverted from the production of wheat shall
8 be jointly and severally liable for the entire amount of the
9 penalty. The persons liable for the payment or collection of
10 the penalty under this section shall be liable also for interest
11 thereon at the rate of 6 per centum per annum from the date
12 the penalty becomes due until the date of payment of such
13 penalty.

14 “(2) The Secretary may require that the acreage on
15 any farm diverted from the production of wheat be land
16 which was diverted from the production of wheat in the
17 previous year, to the extent he determines that such require-
18 ment is necessary to effectuate the purposes of this subtitle.

19 “(3) The Secretary may permit the diverted acreage
20 to be grazed in accordance with regulations prescribed by
21 the Secretary.

22 “(b) The Secretary is authorized to formulate and carry
23 out a program with respect to the 1963, 1964, and 1965
24 crops of wheat under which, subject to such terms and con-
25 ditions as he determines are desirable to effectuate the pur-

1 poses of this section, payments may be made in amounts
2 determined by the Secretary to be fair and reasonable with
3 respect to acreage diverted pursuant to subsection (a) of this
4 section. The Secretary may permit producers on any farm
5 to divert from the production of wheat an acreage, in addi-
6 tion to the acreage diverted pursuant to subsection (a),
7 equal to 20 per centum of the farm acreage allotment for
8 wheat: *Provided*, That the producers on any farm may, at
9 their election, divert such acreage in addition to the acreage
10 diverted pursuant to subsection (a), as will bring the total
11 acreage diverted on the farm to fifteen acres. Such program
12 shall require (1) that the diverted acreage shall be devoted to
13 conservation uses approved by the Secretary; (2) that the
14 total acreage of cropland on the farm devoted to soil-
15 conserving uses, including summer fallow and idle land but
16 excluding the acreage diverted as provided above, and acre-
17 age diverted under the land-use provisions for feed grains
18 pursuant to section 360j, shall be not less than the total
19 average acreage of cropland devoted to soil-conserving uses
20 including summer fallow and idle land on the farm during
21 a representative period, as determined by the Secretary,
22 adjusted to the extent the Secretary determines appropriate
23 for (i) abnormal weather conditions or other factors affecting
24 production, (ii) established crop-rotation practices on the
25 farm, (iii) participation in other Federal farm programs,

1 (iv) unusually high percentage of land on the farm devoted
2 to conserving uses, and (v) other factors which the Secre-
3 tary determines should be considered for the purpose of
4 establishing a fair and equitable soil-conserving acreage for
5 the farm; and (3) that the producer shall not knowingly
6 exceed (i) any farm acreage allotment in effect for any
7 commodity produced on the farm, and (ii) except as the
8 Secretary may by regulations prescribe, with the farm acre-
9 age allotments on any other farm for any crop in which the
10 producer has a share: *Provided*, That no producer shall be
11 deemed to have exceeded a farm acreage allotment for wheat
12 if the entire amount of the farm marketing excess is delivered
13 to the Secretary or stored in accordance with applicable
14 regulations to avoid or postpone payment of the penalty.
15 The producers on a new farm shall not be eligible for pay-
16 ments hereunder. The Secretary shall provide for the
17 sharing of payment among producers on the farm on a fair
18 and equitable basis. Payments may be made in cash or in
19 wheat.

20 “(c) The Secretary may provide for adjusting any pay-
21 ment on account of failure to comply with the terms and
22 conditions of the land-use program formulated under sub-
23 section (b) of this section.

24 “(d) Not to exceed 50 per centum of any payment to

1 producers under subsection (b) of this section may be made
2 in advance of determination of performance.

3 “(e) The program formulated pursuant to subsection
4 (b) of this section may include such terms and conditions,
5 in addition to those specifically provided for herein, as the
6 Secretary determines are desirable to effectuate the purposes
7 of this section.

8 “(f) The Secretary is authorized to promulgate such
9 regulations as may be desirable to carry out the provisions of
10 this section.

11 “(g) The Commodity Credit Corporation is authorized
12 to utilize its capital funds and other assets for the purpose of
13 making the payments authorized in this section and to pay
14 administrative expenses necessary in carrying out this sec-
15 tion during the period ending June 30, 1963. There is
16 authorized to be appropriated such amounts as may be
17 necessary thereafter to pay such administrative expenses.

18 “(h) Notwithstanding any other provision of law, per-
19 formance rendered in good faith in reliance upon action or
20 advice of an authorized representative of the Secretary may
21 be accepted as meeting the requirements of this section, or of
22 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
23 298), and payment may be made therefor in accordance with
24 such action or advice to the extent the Secretary deems it
25 desirable in order to provide fair and equitable treatment.”

1 SEC. 419. Public Law 74, Seventy-seventh Congress (7
2 U.S.C. 1340), as amended, is hereby amended as follows:

3 (1) By amending paragraph (1) to read as fol-
4 lows:

5 “(1) The farm marketing quota for any crop of
6 wheat shall be the actual production of the acreage
7 planted to such crop of wheat on the farm less the farm
8 marketing excess. The farm marketing excess shall be
9 an amount equal to twice the normal yield of wheat per
10 acre established for the farm multiplied by the number
11 of acres of such crop of wheat on the farm in excess of
12 the farm acreage allotment for such crop unless the pro-
13 ducer, in accordance with regulations issued by the Sec-
14 retary and within the time prescribed therein, establishes
15 to the satisfaction of the Secretary the actual production
16 of such crop of wheat on the farm. If such actual pro-
17 duction is so established, the farm marketing excess shall
18 be an amount equal to the actual production of the num-
19 ber of acres of wheat on the farm in excess of the farm
20 acreage allotment for such crop. In determining the
21 farm marketing quota and farm marketing excess, (1)
22 any acreage of wheat remaining after the date prescribed
23 by the Secretary for the disposal of excess acres of wheat
24 shall be included as acreage of wheat on the farm, and

1 the production thereof shall be appraised in such manner
2 as the Secretary determines will provide a reasonably
3 accurate estimate of such production, and (2) any acre-
4 age of any crop of wheat classified as feed grain acreage
5 pursuant to section 360i of this Act shall not be consid-
6 ered to be acreage planted to wheat. Any acreage of
7 wheat disposed of in accordance with regulations issued
8 by the Secretary prior to such date as may be pre-
9 scribed by the Secretary shall be excluded in determin-
10 ing the farm marketing quota and farm marketing excess.
11 Self-seeded (volunteer) wheat shall be included in de-
12 termining the acreage of wheat. Marketing quotas for
13 any marketing year shall be in effect with respect to
14 wheat harvested in the calendar year in which such mar-
15 keting year begins notwithstanding that the wheat is
16 marketed prior to the beginning of such marketing
17 year.”

18 (2) By amending paragraph (2) to read as fol-
19 lows:

20 “(2) Whenever farm marketing quotas are in effect
21 with respect to any crop of wheat, the producers on a
22 farm shall be subject to a penalty on the farm marketing
23 excess of wheat at a rate per bushel equal to 65
24 per centum of the parity price per bushel of wheat as of
25 May 1 of the calendar year in which the crop is har-

1 vested. Each producer having an interest in the crop
2 of wheat on any farm for which a farm marketing excess
3 of wheat is determined shall be jointly and severally
4 liable for the entire amount of the penalty on the farm
5 marketing excess.”

6 (3) By inserting in paragraph (3) “twice” before
7 “the normal production” in the first and second sentences
8 thereof, and by inserting in the second sentence thereof
9 “twice the” between “of” and “normal” in the phrase
10 “upon the basis of normal production”.

11 (4) By amending paragraph (4) to read as fol-
12 lows:

13 “(4) Until the producers on any farm store, deliver
14 to the Secretary, or pay the penalty on, the farm mar-
15 keting excess of any crop of wheat, the entire crop of
16 wheat produced on the farm and any subsequent crop of
17 wheat subject to marketing quotas in which the producer
18 has an interest shall be subject to a lien in favor of the
19 United States for the amount of the penalty.”

20 (5) By striking out “corn or” from paragraph (5).

21 (6) By striking out “corn or” from paragraph (6).

22 (7) By repealing paragraph (7), and by renum-
23 bering paragraphs (8) through (11) as (7) through
24 (10), respectively.

25 (8) By striking out “corn or” and “as the case

1 may be" from paragraph (8), redesignated by this
2 section as paragraph (7), and adding at the end of
3 such paragraph the following sentence:

4 "If the buyer fails to collect such penalty, such
5 buyer and all persons entitled to share in the wheat
6 marketed from the farm or the proceeds thereof shall
7 be jointly and severally liable for such penalty."

8 (9) By repealing paragraph (12), and by adding
9 the following new paragraphs to follow paragraph (11),
10 redesignated by this section as paragraph (10) :

11 "(11) The persons liable for the payment or col-
12 lection of the penalty on any amount of wheat shall
13 be liable also for interest thereon at the rate of 6 per
14 centum per annum from the date the penalty becomes
15 due until the date of payment of such penalty.

16 "(12) If marketing quotas for wheat are not in
17 effect for any marketing year, all previous marketing
18 quotas applicable to wheat shall be terminated, effective
19 as of the first day of such marketing year. Such termi-
20 nation shall not abate any penalty previously incurred
21 by a producer or relieve any buyer of the duty to remit
22 penalties previously collected by him."

1 SEC. 420. Section 371 of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby amended as follows:

3 (1) Subsection (a) is amended by deleting "corn,
4 wheat," in the first sentence thereof.

5 (2) The first sentence of subsection (b) is amended
6 by striking out "any national acreage allotment for corn
7 or", "wheat," and "in order to effect the declared policy
8 of this Act".

9 SEC. 421. Section 385 of the Agricultural Adjustment
10 Act of 1938, as amended, is hereby amended by inserting in
11 the first sentence after "parity payment," the following:
12 "payment under section 339,".

13 SEC. 422. The amendments to the Agricultural Adjust-
14 ment Act of 1938, as amended, made by sections 410
15 through 421 of this Act shall be in effect only with respect to
16 programs applicable to the crops planted for harvest in the
17 calendar year 1963 or any subsequent year and the market-
18 ing years beginning in the calendar year 1963 or any sub-
19 sequent year.

20 WHEAT MARKETING ALLOCATION PROGRAM

21 SEC. 423. Title III of the Agricultural Adjustment Act
22 of 1938, as amended, is hereby amended (1) by designating

1 subtitles D and E as subtitles E and F, respectively, and (2)
2 by inserting after subtitle C a new subtitle D as follows:

3 "SUBTITLE D—WHEAT MARKETING ALLOCATION

4 "LEGISLATIVE FINDINGS

5 "SEC. 379a. Wheat, in addition to being a basic food,
6 is one of the great export crops of American agriculture and
7 its production for domestic consumption and for export is
8 necessary to the maintenance of a sound national economy
9 and to the general welfare. The movement of wheat from
10 producer to consumer, in the form of the commodity or any
11 of the products thereof, is preponderantly in interstate and
12 foreign commerce. Unreasonably low prices of wheat to
13 producers impair their purchasing power for nonagricultural
14 products and place them in a position of serious disparity
15 with other industrial groups. The conditions affecting the
16 production of wheat are such that without Federal assist-
17 ance, producers cannot effectively prevent disastrously low
18 prices for wheat. It is necessary, in order to assist wheat
19 producers in obtaining fair prices, to regulate the price of
20 wheat used for domestic food and for exports in the manner
21 provided in this subtitle.

22 "WHEAT MARKETING ALLOCATION

23 "SEC. 379b. During any marketing year for which a
24 marketing quota is in effect for wheat, beginning with the
25 marketing year for the 1963 crop, a wheat marketing allo-

1 cation program shall be in effect as provided in this subtitle,
2 Whenever a wheat marketing allocation program is in effect
3 for any marketing year the Secretary shall determine (1)
4 the domestic component of the wheat marketing allocation
5 which shall be the amount of wheat which will be used dur-
6 ing the marketing year for human consumption in the United
7 States, less such portion not to exceed 50 per centum as the
8 Secretary determines of the amount established pursuant to
9 section 332 of this Act to be the desirable reduction during
10 such marketing year in stocks of wheat owned by Commod-
11 ity Credit Corporation, and (2) the export component of
12 the wheat marketing allocation which shall be the portion of
13 exports during the marketing year on which marketing cer-
14 tificates shall be issued to producers in order to achieve, inso-
15 far as practicable, the price and income objectives of this sub-
16 title, and (3) the national allocation percentage which shall
17 be the percentage which the national marketing allocation
18 (the sum of the domestic component and the export com-
19 ponent) is of the estimated production of wheat during the
20 calendar year in which such marketing year begins. Each
21 farm shall receive a wheat marketing allocation for such
22 marketing year equal to the number of bushels obtained by
23 multiplying the number of acres in the farm acreage allot-
24 ment for wheat by the estimated yield of wheat for the farm
25 as determined by the Secretary, and multiplying the result-

1 ing number of bushels by the national allocation percentage.
2 If a noncommercial wheat-producing area is established for
3 any marketing year, farms in such area shall be given wheat
4 marketing allocations which are determined by the Secre-
5 tary to be fair and reasonable in relation to the wheat mar-
6 keting allocation given producers in the commercial wheat-
7 producing area.

8 "MARKETING CERTIFICATES

9 "SEC. 379c. (a) The Secretary shall provide for the is-
10 suance of wheat marketing certificates for each marketing
11 year for which a wheat marketing allocation program is in
12 effect for the purpose of enabling producers on any farm with
13 respect to which certificates are issued to receive, in addition
14 to the other proceeds from the sale of wheat, an amount equal
15 to the value of such certificates. The wheat marketing cer-
16 tificates issued with respect to any farm for any marketing
17 year shall be in the amount of the farm wheat marketing
18 allocation for such year, but not to exceed (i) the actual
19 acreage of wheat planted on the farm for harvest in the
20 calendar year in which the marketing year begins multiplied
21 by the estimated yield of wheat for the farm, plus (ii) the
22 amount of wheat stored to avoid or postpone a marketing
23 quota penalty, which is released from storage during the
24 marketing year on account of underplanting or underproduc-
25 tion. The marketing certificates issued with respect to any

1 farm shall be divided between export certificates and domes-
2 tic certificates in the same proportion as the national wheat
3 marketing allocation is divided between the domestic com-
4 ponent and the export component of such allocation. The
5 Secretary shall provide for the sharing of wheat marketing
6 certificates among producers on the farm on the basis of their
7 respective shares in the wheat crop produced on the farm.
8 or the proceeds therefrom.

9 “(b) No producer shall be eligible to receive wheat
10 marketing certificates with respect to any farm for any
11 marketing year in which a marketing quota penalty is
12 assessed for any commodity on such farm or in which the
13 farm has not complied with the land-use requirements of
14 section 339 to the extent prescribed by the Secretary, or in
15 which, except as the Secretary may by regulation prescribe,
16 the producer exceeds the farm acreage allotment on any
17 other farm for any commodity in which he has an interest
18 as a producer. No producer shall be deemed to have ex-
19 ceeded a farm acreage allotment for wheat if the entire
20 amount of the farm marketing excess is delivered to the
21 Secretary or stored in accordance with applicable regulations
22 to avoid or postpone payment of the penalty.

23 “(c) Whenever a wheat marketing allocation program
24 is in effect for any marketing year, the Secretary shall
25 determine and proclaim for such marketing year the face

1 value per bushel of domestic marketing certificates and the
2 face value per bushel of export marketing certificates. The
3 face value per bushel of domestic certificates shall be equal
4 to the amount by which the level of price support for wheat
5 accompanied by domestic certificates exceeds the level of
6 price support for wheat not accompanied by certificates
7 (noncertificate wheat). The face value per bushel of the
8 export certificates shall be equal to the amount by which the
9 level of price support for wheat accompanied by export cer-
10 tificates exceeds the level of price support for noncertificate
11 wheat.

12 “(d) Marketing certificates and transfers thereof shall
13 be represented by such documents, marketing cards, records,
14 accounts, certifications, or other statements or forms as the
15 Secretary may prescribe.

16 “MARKETING RESTRICTIONS

17 “SEC. 379d. (a) All persons are prohibited from acquir-
18 ing marketing certificates from the producer to whom such
19 certificates are issued, unless such certificates are acquired in
20 connection with the acquisition from such producer of a num-
21 ber of bushels of wheat equivalent to the marketing certifi-
22 cates. Marketing certificates shall be transferable only in
23 accordance with regulations prescribed by the Secretary.
24 Any unused certificates held by persons other than the pro-
25 ducer to whom such certificates are issued shall be purchased

1 by Commodity Credit Corporation. Notwithstanding the
2 foregoing provisions of this section, Commodity Credit Cor-
3 poration is authorized to purchase from producers certificates
4 not accompanied by wheat in cases where the Secretary
5 determines that it would constitute an undue hardship to
6 require the producer to transfer his certificates only in con-
7 nection with the disposition of wheat.

8 “(b) During any marketing year for which a wheat
9 marketing allocation program is in effect, (i) all persons
10 engaged in the processing of wheat into food products com-
11 posed wholly or partly of wheat shall, prior to marketing
12 any such product for human food in the United States, ac-
13 quire domestic marketing certificates equivalent to the
14 number of bushels of wheat contained in such product, and
15 (ii) each person exporting wheat or food products composed
16 wholly or partly of wheat shall prior to such export acquire
17 export marketing certificates equivalent to the number of
18 bushels so exported. If the Secretary determines that such
19 requirement is desirable for the effective administration of
20 this subsection, he may require domestic certificates to be
21 acquired on all first sales of food products composed wholly
22 or partly of wheat including sales for export, but upon the
23 exportation from the United States of any such food prod-
24 uct, Commodity Credit Corporation shall pay to the ex-
25 porter an amount equal to the difference between the face

1 value of domestic certificates and export certificates for the
 2 quantity of food products so exported. Marketing certifi-
 3 cates shall be valid to cover only sales or exportations made
 4 during the marketing year with respect to which they are
 5 issued, and after being once used to cover a sale or export of
 6 a food product or an export of wheat shall be void and shall
 7 be disposed of in accordance with regulations prescribed by
 8 the Secretary.

9 “(c) Upon the giving of a bond or other undertaking
 10 satisfactory to the Secretary, and subject to such regulations
 11 as he may prescribe, to secure the purchase of and payment
 12 for such marketing certificates as may be required, any per-
 13 son required to have marketing certificates in order to mar-
 14 ket or export a commodity may market any such commodity
 15 without having first acquired marketing certificates.

16 “(d) As used in this subtitle, the term ‘food products’
 17 means any product to be used for human consumption, in-
 18 cluding beverage.

19 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
 20 CERTIFICATES

21 “SEC. 379e. For the purpose of facilitating the purchase
 22 and sale of marketing certificates, the Commodity Credit
 23 Corporation is authorized to issue, buy, and sell marketing
 24 certificates in accordance with regulations prescribed by the
 25 Secretary. Such regulations may authorize the Corporation

1 to issue and sell certificates in excess of the quantity of cer-
2 tificates which it purchases and in the purchase and sale of
3 marketing certificates to make such discounts and charge
4 such premiums not exceeding 5 per centum of the face value
5 of the certificate as the Secretary shall determine necessary
6 to encourage the purchase and sale of such certificates
7 through commercial channels.

8 "CONVERSION FACTORS

9 "SEC. 379f. The Secretary shall establish conversion
10 factors which shall be used to determine the amount of wheat
11 contained in any food product. The conversion factor for
12 any such food product shall be determined upon the basis of
13 the weight of wheat used in the manufacture of such product.

14 "AUTHORITY TO FACILITATE TRANSITION

15 "SEC. 379g. The Secretary is authorized to take such
16 action as he determines to be necessary to facilitate the tran-
17 sition from the program currently in effect to the program
18 provided for in this subtitle. Notwithstanding any other pro-
19 vision of this subtitle, such authority shall include, but shall
20 not be limited to, the authority to exempt all or a portion of
21 the wheat or food products made therefrom in the channels of
22 trade on the effective date of the program under this subtitle
23 from the marketing restrictions in subsection (b) of section
24 379d, or to sell certificates to persons owning such wheat or
25 food products at such prices as the Secretary may determine.

1 Any such certificate shall be issued by Commodity Credit
2 Corporation.

3 "REPORTS AND RECORDS

4 "SEC. 379h. This section shall apply to warehousemen,
5 processors, common carriers, and other handlers of wheat and
6 food products containing wheat, all persons engaged in the
7 business of purchasing, selling, exporting, or transporting
8 wheat or food products containing wheat, and all persons
9 purchasing, selling, or otherwise dealing in wheat marketing
10 certificates. Any such person shall, from time to time on
11 request of the Secretary, report to the Secretary such in-
12 formation and keep such records as the Secretary finds to be
13 necessary to enable him to carry out the provisions of this
14 subtitle. Such information shall be reported and such records
15 shall be kept in such manner as the Secretary shall prescribe.
16 For the purpose of ascertaining the correctness of any report
17 made or record kept, or of obtaining information required to
18 be furnished in any report, but not so furnished, the Secretary
19 is hereby authorized to examine such books, papers, records,
20 accounts, correspondence, contracts, documents, and memo-
21 randums as he has reason to believe are relevant and are
22 within the control of such person.

23 "PENALTIES

24 "SEC. 379i. (a) Any person who violates or attempts
25 to violate or who participates or aids in the violation of any

1 of the provisions of subsection (b) of section 379d of this
2 Act shall forfeit to the United States a sum equal to two
3 times the face value of the marketing certificates involved in
4 such violation. Such forfeiture shall be recoverable in a
5 civil action brought in the name of the United States.

6 “(b) Any person who violates or attempts to violate
7 or who participates or aids in the violation of any provision
8 of this subtitle, or of any regulation, governing the acquisi-
9 tion, disposition, or handling of marketing certificates shall
10 be deemed guilty of a misdemeanor and upon conviction
11 thereof shall be subject to a fine of not more than \$5,000
12 for each violation.

13 “(c) Any person failing to make any report or keep
14 any record as required by section 379h shall be deemed
15 guilty of a misdemeanor and upon conviction thereof shall
16 be subject to a fine of not more than \$5,000 for each
17 violation.

18 “(d) Any person who falsely makes, issues, alters,
19 forges, or counterfeits any marketing certificate, or with
20 fraudulent intent possesses, transfers, or uses any such falsely
21 made, issued, altered, forged, or counterfeited marketing cer-
22 tificate, shall be deemed guilty of a felony and upon con-
23 viction thereof shall be subject to a fine of not more than
24 \$10,000 or imprisonment of not more than ten years, or
25 both.

1 "REGULATIONS

2 "SEC. 379j. The Secretary shall prescribe such regula-
3 tions as may be necessary to carry out the provisions of this
4 subtitle including but not limited to regulations governing
5 the acquisition, disposition, or handling of marketing cer-
6 tificates."

7 SEC. 424. The Agricultural Act of 1949, as amended,
8 is amended as follows:

9 (1) By inserting after section 106 the following new
10 section:

11 "SEC. 107. Notwithstanding the provisions of section
12 101 of this Act, beginning with the 1963 crop—

13 "(1) price support for wheat accompanied by do-
14 mestic marketing certificates shall be at such level not
15 less than 75 per centum or more than 90 per centum of
16 the parity price therefor as the Secretary determines
17 appropriate taking into consideration the factors specified
18 in section 401 (b),

19 "(2) price support for wheat accompanied by ex-
20 port marketing certificates shall be at such level not
21 more than 90 per centum of the parity price therefor as
22 the Secretary determines appropriate taking into con-
23 sideration the factors specified in section 401 (b),

24 "(3) price support for wheat not accompanied by
25 marketing certificates shall be at such level as the Sec-

retary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

“(4) if marketing quotas are in effect for the crop of wheat, (i) price support shall be made available only to cooperators; and (ii) if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

“(5) no price support shall be made available for any crop of wheat for which marketing quotas are not in effect because of disapproval of quotas by producers,

“(6) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

“(7) a ‘cooperator’ with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements

1 of section 339 of the Agricultural Adjustment Act of
2 1938, as amended, to the extent prescribed by the Sec-
3 retary. No producer shall be deemed to have exceeded
4 a farm acreage allotment for wheat if the entire amount
5 of the farm marketing excess is delivered to the Secre-
6 tary or stored in accordance with applicable regulations
7 to avoid or postpone payment of the penalty, but the
8 producer shall not be eligible to receive price support on
9 such marketing excess.”

10 (2) By changing the period at the end of the
11 third sentence in section 407 to a colon and adding the
12 following: “*Provided*, That if a commercial wheat mar-
13 keting allocation program is in effect, the current support
14 price for wheat shall be the support price for wheat ac-
15 companied by a domestic certificate and wheat sold shall
16 be accompanied by a domestic certificate.”

17 SUBTITLE C—DAIRY

18 SEC. 430. (a) This subtitle may be cited as the “Dairy
19 Income Stabilization Act”.

20 (b) The first sentence of section 201 of the Agricultural
21 Act of 1949, as amended (7 U.S.C. 1446), is amended by
22 deleting therefrom the words “milk, butterfat, and the prod-
23 ucts of milk and butterfat” and inserting in lieu thereof the
24 words “and milk”.

25 (c) Subsection (c) of section 201 of the Agricultural

1 Act of 1949, as amended (7 U.S.C. 1446), is hereby
2 amended to read as follows:

3 “(c) The price of milk shall be supported through loans
4 on, or purchases of, milk and dairy products at a level
5 determined by the Secretary which is not in excess of 90 per
6 centum of the parity price therefor but which will be as near
7 such maximum level as he determines appropriate, taking
8 into consideration the supply of milk in relation to the de-
9 mand therefor, the importance of the milk to agriculture and
10 the national economy, the ability to dispose of stocks of dairy
11 products acquired through price support operations, the
12 ability and willingness of producers to keep supplies in line
13 with demand, and the need of dairy farmers for a fair return
14 on their labor and investment: *Provided*, That in no event
15 shall the level be such as the Secretary estimates will result
16 in the acquisition under the price support program of quan-
17 tities of milk and dairy products (i) which will be in excess
18 of those quantities which can be utilized in the national
19 interest, including school lunch, domestic welfare, and foreign
20 assistance, and (ii) which will have a total acquisition cost
21 (volume times unit purchase price or loan rate) in any one
22 marketing year (a) in excess of \$300,000,000 if marketing
23 allotments are not in effect for such year pursuant to the
24 Dairy Income Stabilization Act, or (b) in excess of
25 \$300,000,000 plus an amount equal to the surplus marketing

1 fees to be collected for such marketing year if marketing
2 allotments are in effect.

3 LEGISLATIVE FINDING

4 SEC. 431. Milk is a basic source of the Nation's food
5 supply. Dairy farming, which is carried on in every State
6 of the Nation and is an important source of farm income,
7 constitutes a vital segment of the agricultural and national
8 economy. It is in the national interest that there be ade-
9 quate and balanced supplies of milk. Surpluses of milk result
10 in low prices to producers and impair their purchasing
11 power; shortages result in unreasonably high prices to con-
12 sumers and the loss of markets for producers. Recurring
13 shortages and surpluses cause undesirable fluctuations in
14 prices to producers and consumers, unstable farm income,
15 and disorderly marketing practices. The general welfare
16 requires that interstate and foreign commerce be protected
17 from the harmful effects of imbalances in the supply of milk
18 and dairy products. All marketings of milk and dairy prod-
19 ucts are either in the current of interstate and foreign com-
20 merce or directly affect such commerce. The intrastate
21 marketing of milk and dairy products is in competition with
22 the marketing of milk and dairy products in interstate and
23 foreign commerce. Milk and dairy products which enter
24 directly into the current of interstate and foreign commerce
25 cannot be effectively regulated without regulating that part

1 marketed within the State of production. The conditions
2 affecting the production and marketing of milk and dairy
3 products are such that, without Federal assistance, farmers
4 individually or in cooperation cannot maintain a flow of an
5 adequate and balanced supply of milk in interstate and
6 foreign commerce at prices fair and reasonable to producers
7 and consumers.

8 GENERAL DEFINITIONS

9 SEC. 432. For the purposes of this subtitle—

10 (a) The term “interstate commerce and foreign com-
11 merce” includes the movement of milk and dairy products
12 in commerce between any State or the District of Columbia
13 and any place outside thereof, or within the District of
14 Columbia.

15 (b) The term “affect interstate and foreign commerce”
16 means, among other things, to burden, obstruct, impede, or
17 otherwise affect interstate and foreign commerce, the free
18 and orderly flow thereof, or the production, storing, process-
19 ing, marketing, or transportation of milk and dairy products
20 for or in such commerce or after transportation therein.

21 (c) The term “Secretary” means the Secretary of
22 Agriculture.

23 (d) The term “milk” means bovine milk, including any
24 classification, type, or grade thereof.

25 (e) The term “fluid milk” means milk produced to meet

1 the needs for consumption by humans as whole milk, cream,
2 skim milk, or any mixture thereof.

3 (f) The term "marketing year" means the twelve-month
4 period beginning April 1 of each year.

5 (g) The term "marketing period" means the whole or
6 any part of a marketing year, as determined by the Secre-
7 tary.

8 (h) The term "national marketing allotment" for milk
9 for any marketing year shall be the quantity of milk which
10 the Secretary determines, taking into consideration the carry-
11 over as of the beginning of the marketing year, should be
12 produced in the continental United States, excluding Alaska,
13 in order to make available for such marketing year a quan-
14 tity of milk equal to (1) the estimated consumption during
15 such year in commercial markets at prices reflecting the price
16 support level and in school lunch and child milk programs
17 and other outlets of the Federal Government, within the
18 United States, its territories and possessions, and Puerto Rico,
19 (2) estimated exports during such year, including exports
20 under foreign assistance programs, and (3) an allowance for
21 carryover, minus (4) the estimated marketings during such
22 year in excess of marketing allotments.

23 (i) The "allowance for carryover" shall be such amount
24 of milk as the Secretary determines will provide an adequate
25 carryover, taking into consideration the need for maintaining

1 an adequate, dependable, and continuous supply of milk,
2 and such other factors as the Secretary deems appropriate.

3 (j) "Producer" means any person who is engaged in
4 the production of milk or butterfat for market.

5 (k) The term "person" means an individual, partner-
6 ship, firm, joint-stock company, corporation, association,
7 trust, estate, or any other business entity.

8 (l) "First processor" means (1) any person receiv-
9 ing, purchasing, or acquiring milk from a milk producer
10 and (2) any producer disposing of milk or dairy products
11 directly to consumers.

12 MARKETING ALLOTMENTS AND PRODUCER REFERENDUM

13 SEC. 433. If, on or before February 1 preceding any
14 marketing year, the Secretary determines that in order to
15 provide price support for such marketing year at the maxi-
16 mum level he determines appropriate pursuant to section
17 201 (c) of the Agricultural Act of 1949, as amended, it will
18 be necessary to have marketing allotments, he may proclaim
19 (i) that, subject to referendum by producers, marketing
20 allotments shall be in effect for milk marketed in such
21 marketing year, (ii) the marketing allotment percentage
22 for such marketing year, (iii) the level of support if market-
23 ing allotments remain in effect, and (iv) the level of support
24 if marketing allotments do not remain in effect. Not later
25 than March 1 preceding the marketing year for which he

1 has proclaimed marketing allotments, the Secretary shall
2 conduct a referendum, by secret ballot, of producers to deter-
3 mine whether producers are in favor of or opposed to market-
4 ing allotments for such marketing year. Each producer who
5 is engaged in the marketing of milk in the calendar year in
6 which the referendum is held shall be eligible to vote in
7 the referendum: *Provided*, That, if the Secretary has pre-
8 scribed a minimum marketing allotment pursuant to section
9 437 of this subtitle, a producer shall not be eligible to vote
10 unless his marketings of milk during any one of the preced-
11 ing two calendar years exceeded such minimum marketing
12 allotment or he certifies that he will produce milk in
13 excess of such minimum allotment for marketing during
14 the marketing year to which the marketing allotment will
15 apply. If the Secretary determines that more than one-
16 third of the number of producers voting in the referendum
17 oppose marketing allotments, such allotments shall become
18 ineffective upon proclamation of the results of the refer-
19 endum. The Secretary shall proclaim the results of any
20 referendum held hereunder within thirty days after the date
21 of such referendum, or March 31, whichever is earlier.

22 PRODUCER MARKETING BASE

23 SEC. 434. The Secretary shall establish a marketing
24 base for each producer in the continental United States, ex-
25 cluding Alaska, who marketed milk, farm-separated cream,

1 or any dairy product in commercial channels in the cal-
2 endar year 1961, or in such other period as the Secretary
3 determines to be appropriate, and who desires to market
4 any of such commodities during any marketing year in
5 which marketing allotments are in effect. Such marketing
6 base shall be the number of pounds of milk, or the number
7 of pounds of milk fat, or such other units of dairy products
8 as the Secretary may deem appropriate for the administra-
9 tion of this subtitle, which the producer disposed of in com-
10 mercial channels in 1961 or such other twelve-month period
11 as the Secretary deems more representative. A producer's
12 marketing base for a marketing year shall be apportioned
13 by the Secretary among the marketing periods thereof in
14 accordance with the producer's marketing pattern in 1961,
15 or such other twelve-month base period as the Secretary
16 may determine, subject to such adjustments as the Secretary
17 determines necessary to enable the producer to carry out his
18 herd management plans for the marketing year. The quan-
19 tity thus apportioned to a marketing period shall be the pro-
20 ducer's marketing base for such period. In establishing
21 and apportioning marketing bases, the Secretary may utilize
22 the services of local, county, and State committees estab-
23 lished under section 8 of the Soil Conservation and Domes-
24 tic Allotment Act. The Secretary shall make such ad-
25 justment in the marketing bases established hereunder as he

1 deems necessary for abnormal conditions affecting produc-
2 tion or marketing, for relief of shortages in deficit produc-
3 tion areas, and for such other factors as he determines should
4 be considered for the purpose of establishing fair and equi-
5 table marketing bases.

6 SEC. 435. The Secretary shall prescribe such conversion
7 factors as he determines necessary for use in determining the
8 quantity of milk marketed by producers who market their
9 milk in the form of farm-separated cream, butterfat, or other
10 dairy products.

11 SEC. 436. A producer may, to such extent and subject
12 to such terms and conditions as the Secretary may prescribe,
13 transfer his marketing base, or any part thereof, to any other
14 producer or prospective new producer who agrees to utilize
15 such base for the disposition in commercial channels of milk,
16 butterfat, or dairy products, produced in the same State as
17 that in which the transferor engaged in production, or any
18 State adjacent thereto, or in such other State or area as the
19 Secretary may authorize. The Secretary may utilize funds
20 available for purchase or loans on dairy products under the
21 price support program to purchase and cancel bases offered
22 voluntarily for sale by producers if he determines that (i)
23 the cost of such purchase and cancellation will be less than
24 the added cost of carrying out price support operations if such
25 bases were to remain in production, (ii) such purchase and

1 cancellation will aid in effective operation of the price support
2 program, and (iii) such purchase and cancellation will fur-
3 ther the purposes of this subtitle.

4 PRODUCER MARKETING ALLOTMENTS

5 SEC. 437. (a) If marketing allotments are proclaimed
6 for any marketing year, the Secretary shall determine the
7 marketing allotment percentage for such year by dividing the
8 national marketing allotment for such year by the estimated
9 aggregate of all producers' marketing bases. Each pro-
10 ducer's marketing allotment for a marketing period shall
11 be determined by multiplying his marketing base for such
12 period by the marketing allotment percentage: *Provided*,
13 That the Secretary may, if he determines that it will not
14 impair effective administration of this subtitle, prescribe a
15 minimum marketing allotment for any producer holding a
16 marketing base.

17 (b) The Secretary may, from time to time during the
18 marketing year, review his determination of the national mar-
19 keting allotment. If, as a result of such review, he deter-
20 mines that the national marketing allotment should be in-
21 creased because of a substantial change in any of the factors
22 entering into the determination of such allotment, he may
23 increase such allotment to the extent he determines war-
24 ranted by the change in such factors. If the national market-
25 ing allotment is increased, the Secretary shall proclaim the

1 resulting increase in the marketing allotment percentage and
2 date on which it shall become effective for marketings during
3 the remaining portion of the marketing year. If, as a result
4 of such review, the Secretary determines that the national
5 allotment should be decreased because of a substantial change
6 in any of the factors entering into the determination of such
7 allotment, he may decrease such allotment to the extent he
8 determines warranted by the change in such factors. If the
9 national allotment is decreased, the Secretary shall proclaim
10 the resulting decrease in the marketing allotment percentage
11 and date on which it shall become effective for marketings
12 during the remaining portion of the marketing year if ap-
13 proved by producers in a referendum. The Secretary shall
14 conduct a referendum, by secret ballot, to determine whether
15 producers are in favor of or opposed to the continuation of
16 marketing allotments with the decreased marketing allotment
17 percentage. If he determines that more than one-third of
18 the number of producers voting in the referendum oppose
19 such continuation of marketing allotments, marketing allot-
20 ments shall become ineffective upon proclamation of the re-
21 sults of the referendum and, notwithstanding any other pro-
22 vision of law, the level of price support shall thereupon be
23 reduced to the level which the Secretary had proclaimed,
24 pursuant to section 433 of this subtitle, would be in effect if
25 marketing allotments did not remain in effect. Producers

1 eligible to vote in a referendum conducted pursuant to section
2 433 of this subtitle shall be eligible to vote in a referendum
3 pursuant to this section.

4 SURPLUS MARKETING FEES

5 SEC. 438. (a) The marketing of milk or any product
6 thereof by a producer in excess of his marketing allotment
7 for any marketing period shall be subject to a surplus mar-
8 keting fee. The amount of the fee shall be established and
9 announced by the Secretary in advance of the marketing
10 period to which it applies and shall be that amount not in
11 excess of \$2.75 which the Secretary estimates (i) will pro-
12 vide a surplus marketing fund sufficient (taking into account
13 any amount carried over from previous years) to cover any
14 acquisition cost (volume times unit purchase price or loan
15 rate) which may be incurred for milk and dairy products
16 during the marketing year under the price support program
17 in excess of the smaller of (A) \$300,000,000 or (B) the
18 acquisition cost of those quantities of milk and dairy products
19 which the Secretary estimated under 201 (c) of the Agri-
20 cultural Act of 1949, as amended, can be utilized in the
21 national interest, including school lunch, domestic welfare,
22 and foreign assistance, and (ii) will discourage production
23 for marketing in excess of marketing allotments. The Secre-
24 tary may adjust the amount of the surplus marketing fee
25 previously established for a marketing period as he deter-

1 mines necessary in order to provide a sufficient surplus mar-
2 keting fund: *Provided*, That (i) no adjusted fee shall be in
3 excess of \$2.75 or be applied retroactively, and (ii) any up-
4 ward adjustment shall be announced not less than thirty days
5 in advance of the date on which such adjusted fee is to be-
6 come effective.

7 (b) The surplus marketing fee shall be paid to the
8 Commodity Credit Corporation by the first processor who
9 acquires milk or milk products from a producer in excess
10 of the producer's marketing allotment, but an amount equiv-
11 alent to the surplus marketing fee may be deducted from the
12 price paid by the first processor to the producer: *Provided*,
13 That in case any milk or milk product is marketed directly
14 by the producer to any person outside the United States the
15 surplus marketing fee shall be paid and remitted by the pro-
16 ducer. For the purpose of this section, a first processor who
17 is also a milk producer shall be deemed to have acquired
18 that portion of his production which he markets in excess of
19 his marketing allotment. Such surplus marketing fee shall be-
20 come due and payable within fifteen days following the
21 marketing period in which the first processor receives from
22 any producer milk or dairy products in excess of his market-
23 ing allotment or at the end of such other period of time as
24 the Secretary may prescribe. The first processor and the
25 producer shall be jointly and severally liable for any default

1 in the payment of the surplus marketing fee and for interest
2 thereon at the rate of 6 per centum per annum from the
3 date such fee becomes due until the date of payment thereof
4 except that the producer shall not be liable for any such de-
5 fault if the amount of the fee was deducted by the first
6 processor from the price paid to the producer. Any termina-
7 tion of marketing allotments shall not affect liability for pay-
8 ment of surplus marketing fees with respect to milk or any
9 product thereof marketed prior to such termination.

10 (c) The Commodity Credit Corporation shall refund to
11 persons determined by the Secretary to be entitled thereto
12 the amount of surplus marketing fees determined by the Sec-
13 retary to have been erroneously paid to Commodity Credit
14 Corporation. In case any person who is entitled to a refund
15 of surplus marketing fee dies, becomes incompetent, or dis-
16 appears before receiving such refund or is succeeded in law
17 by another, the refund shall, without regard to other pro-
18 visions of law, be made as the Secretary may determine to be
19 fair and reasonable in all circumstances. The basis for, the
20 amount of, and the persons entitled to receive a refund from
21 Commodity Credit Corporation, when determined in accord-
22 ance with regulations prescribed by the Secretary, and the
23 amount of any surplus marketing fee established by the
24 Secretary, shall be final and conclusive.

REVIEW

1
2 SEC. 439. The marketing base and marketing allotment
3 established for a producer shall, in accordance with regula-
4 tions of the Secretary, be made and kept freely available for
5 public inspection in the county in which such producer re-
6 sides and in the county or counties in which his dairy herd
7 or herds are maintained. Notice of the marketing base
8 shall be mailed to each producer as soon as practicable after
9 its determination. Any producer who is dissatisfied with
10 his marketing base may, within fifteen days after the date
11 of mailing to him of the notice thereof, have such marketing
12 base reviewed by a local review committee in accordance
13 with standards prescribed by the Secretary. Such review
14 committee shall be composed of three producers, appointed
15 by the Secretary, from one or more of the counties in which
16 the producer maintains his dairy herd or herds or counties
17 adjacent thereto. Such committee shall not include any
18 member of any other committee which determined the mar-
19 keting base or marketing allotment for such producer.
20 Unless application for review is made within such period
21 the original determination of the marketing base shall be
22 final and conclusive.

REPORTS AND RECORDS

23
24 SEC. 440. Each first processor and producer shall keep
25 such records for such period of time and shall make such

1 reports as the Secretary shall prescribe for the purposes of
2 this subtitle. The Secretary is hereby authorized to examine
3 such records and any other records, accounts, documents,
4 and other papers which he has reason to believe are relevant
5 for the purposes of this subtitle and which are in the custody
6 or control of such first processor or producer. Any person
7 failing to make any report or keep any record as required
8 by the Secretary, pursuant to this subtitle, shall be guilty
9 of a misdemeanor and, upon conviction thereof, shall be
10 punished by a fine of not more than \$2,000 or by imprison-
11 ment for not more than one year, or both.

12 MISCELLANEOUS

13 SEC. 441. The provisions of section 364 (relating to re-
14 view committee), section 365 (relating to the institution of
15 proceedings), section 366 (relating to court review), and
16 section 367 (relating to stay proceedings and exclusive juris-
17 diction) of the Agricultural Adjustment Act of 1938, as
18 amended (7 U.S.C. 1364-1367), shall be applicable to re-
19 views and proceedings under this subtitle. The provisions of
20 section 388 (relating to utilization of local agencies) of the
21 Agricultural Adjustment Act of 1938, as amended (7 U.S.C.
22 1388), shall be applicable in the administration of this sub-
23 title. The several district courts of the United States are
24 hereby vested with jurisdiction specifically to enforce the

1 provisions of this subtitle. If and when the Secretary shall
2 so request, it shall be the duty of the several district attor-
3 neys, under direction of the Attorney General, to institute
4 proceedings, to collect surplus marketing fees provided in
5 this subtitle. The remedies and surplus marketing fees pro-
6 vided for herein shall be in addition to and not exclusive of
7 any other remedy under law.

8 DAIRY STABILIZATION ADVISORY COMMITTEE

9 SEC. 442. (a) There is hereby created a Dairy Stabili-
10 zation Advisory Committee consisting of twenty-one mem-
11 bers with an alternate member for each such member.
12 Fifteen of such members and their respective alternates shall
13 be producers and shall be elected as provided in subsection
14 (b) of this section. Six of such members and their respec-
15 tive alternates shall be appointed by the Secretary, four of
16 whom shall be processors or marketers of milk and dairy
17 products or members, employees, or officers of firms engaged
18 in the processing or marketing of milk or dairy products or
19 representatives of associations of milk producers or farm
20 organizations, one shall be a representative of consumer
21 interests and one shall be an employee of the Department of
22 Agriculture. The Secretary shall designate one member of
23 the committee as chairman.

24 (b) In order to secure appropriate regional representa-
25 tion of the committee, the Secretary shall divide the con-

1 tinent United States, excluding Alaska, into fifteen Fed-
2 eral dairy districts and shall so designate the districts as to
3 include therein, insofar as is practicable, approximately the
4 same proportion of total milk production. Each Federal
5 dairy district shall be represented by one milk producer-
6 member, and his alternate, on the committee. Each pro-
7 ducer-member, and his alternate, shall be nominated and
8 elected in such manner as the Secretary shall prescribe to
9 assure representation of the majority of milk producers in
10 each district. The Secretary shall conduct all elections for
11 the selection of members and alternate members of the Dairy
12 Stabilization Advisory Committee, and shall prescribe meth-
13 ods whereby each milk producer may vote in determining
14 representation of his district on the committee. In making
15 appointments to the Dairy Stabilization Advisory Commit-
16 tee, the Secretary shall give due consideration to securing
17 representation of the various forms in which milk and its
18 products are sold and of cooperative and other forms of
19 management.

20 (c) Initial membership in the Dairy Stabilization Advi-
21 sory Committee shall be equally divided between terms of
22 two and four years, as designated by the Secretary, and,
23 thereafter, each member and his alternate shall be elected
24 or appointed for a term of four years. Terms of committee
25 members shall be based on calendar years and shall expire

1 on the last day of the last calendar year of the election or
2 appointment. Each member and alternate member shall
3 hold office for the term of his election or appointment and
4 until his successor shall have been elected or appointed and
5 shall have taken office. Committee members and their alter-
6 nates may be removed for cause or ineligibility by the Secre-
7 tary. In the event any member is unable to attend any
8 meeting of the Dairy Stabilization Advisory Committee or
9 perform any task assigned to him, his alternate may attend
10 such meeting or perform such task. A vacancy in the mem-
11 bership of the committee shall be filled by the respective
12 alternate. In the event of a vacancy in an alternate member-
13 ship, the Secretary shall appoint an alternate to fill the
14 unexpired term.

15 (d) The Dairy Stabilization Advisory Committee shall
16 meet at the call of the Secretary no less than twice a year,
17 and shall advise with and make recommendations to the
18 Secretary with respect to the administration of this subtitle
19 and with respect to dairy price support operations under the
20 Agricultural Act of 1949. The Dairy Stabilization Advisory
21 Committee shall keep minutes of its meetings which minutes
22 shall be a matter of public record except for such portions
23 thereof as the Secretary determines should be withheld from
24 public information for a period of time (1) in the interests
25 of the national security as classified material under Records

1 Security Regulations, or (2) because premature public re-
2 lease of such information might result in market specula-
3 tion or have an adverse effect on current program operations.

4 (e) The Secretary is authorized to pay to members
5 (other than the member from the Department of Agricul-
6 ture) of the Dairy Stabilization Advisory Committee for
7 each day's attendance at meetings and while traveling to and
8 from such meetings transportation expenses and, in lieu of
9 subsistence, a per diem in such amount as the Secretary
10 determines necessary not to exceed \$25 per day. No salary
11 or other compensation shall be paid.

12 SEC. 443. (a) The Secretary shall prescribe such regu-
13 lations as are necessary for the enforcement and the effective
14 administration of this subtitle.

15 (b) There are hereby authorized to be appropriated
16 such sums as may be necessary to administer the provisions
17 of this subtitle.

18 1962 MARKETING YEAR

19 SEC. 444. Notwithstanding the dates specified in section
20 433 of this subtitle, the Secretary, with respect to the mar-
21 keting year beginning April 1, 1962, may, on any date in
22 1962, proclaim marketing allotments for such marketing
23 year, hold the referendum within thirty days after the date
24 of the proclamation, and proclaim the results thereof within
25 thirty days after such referendum: *Provided, however, That*

1 no surplus marketing fee shall be due or payable with respect
2 to any milk and dairy products marketed by a producer prior
3 to the first marketing period commencing after the date the
4 Secretary proclaims the results of the referendum, but the
5 estimated amount of such surplus marketing fee shall be
6 considered as having been paid into the surplus marketing
7 fund for purposes of section 438 of this subtitle and section
8 201 (c) of the Agricultural Act of 1949, as amended. Not-
9 withstanding any other provision of law, the level of support
10 in effect on the effective date of this Act for whole milk and
11 butterfat for the marketing year commencing April 1, 1962,
12 shall not be adjusted to the level of support required by sec-
13 tion 201 (c) of the Agricultural Act of 1949, as amended,
14 and further amended by this subtitle, until thirty days fol-
15 lowing the date on which the Secretary proclaims the results
16 of the referendum if producers disapprove marketing allot-
17 ments or until the commencement of the first marketing
18 period following the date on which the Secretary proclaims
19 the results of the referendum if producers approve marketing
20 allotments.

21 TITLE V—GENERAL PROVISIONS

22 SEC. 501. The Consolidated Farmers Home Admin-
23 istration Act of 1961 (75 Stat. 307) is amended as follows:

24 (1) By striking out the period at the end of sec-

tion 304 and inserting a comma and the following:
“including recreational uses and facilities.”;

(2) By inserting in section 306 (a) after the words
“soil conservation practices” the words “shifts in land-
use including the development of recreational facilities”,
and by inserting after the word “drainage” the words
“or sewer”;

(3) By striking out in section 309 (f) (1) the
figure “\$10,000,000” and inserting in lieu thereof the
figure “\$25,000,000”; and

(4) By inserting in section 312 after the words
“and conservation” the words “including recreational
uses and facilities”.

SEC. 502. Subsections (a) and (b) of section 3 of the
Rural Electrification Act of 1936, as amended (7 U.S.C.
903), be and the same are hereby amended to read as
follows:

“SEC. 3. (a) There are authorized to be appropriated,
for the purposes of this Act, such sums as the Congress
may from time to time determine to be necessary.

“(b) When authorized by Congress, the Administrator
is authorized, with the approval of the Secretary of Agricul-
ture, to make and issue notes to the Secretary of the Treasury
for the purpose of obtaining funds in such amounts as the

1 Congress may approve annually in appropriation Acts for
2 making loans under titles I and II of this Act. Such notes
3 shall be in such form and denominations and be subject to
4 such terms and conditions as may be prescribed by the Ad-
5 ministrator with the approval of the Secretary of the
6 Treasury. Such notes shall bear interest at a rate fixed by
7 the Secretary of the Treasury not in excess of the rate pro-
8 vided for in sections 4 and 5 of this Act. The Secretary of
9 the Treasury is authorized and directed to purchase any notes
10 of the Administrator issued hereunder, and for that purpose
11 the Secretary of the Treasury is authorized to use as a public
12 debt transaction the proceeds from the sale of any securities
13 issued under the Second Liberty Bond Act, as amended, and
14 the purposes for which such securities may be issued under
15 such Act, as amended, are extended to include the purchase
16 of notes issued by the Administrator. All redemptions, pur-
17 chases, and sales by the Secretary of the Treasury of such
18 notes shall be treated as public debt transactions of the
19 United States.

20 “The appropriations for loans made under the authority
21 of subsection (a) and funds obtained in accordance with the
22 preceding paragraph of this subsection and the unexpended
23 balances of any funds available on the effective date of this
24 amendment for loans under this Act, including any funds
25 made available for loans under the item ‘Rural Electrification

1 Administration', in the Department of Agriculture appro-
2 priation Acts current on the date of enactment of this amend-
3 ment, shall be merged into a single account hereafter in this
4 section called the 'loan account'. All notes, bonds, obliga-
5 tions, and property, including those now held by the Admin-
6 istrator on behalf of the Secretary of the Treasury, and all
7 collections therefrom, made or held under the loan provisions
8 of titles I and II of this Act, shall be assets of said account.

9 “The notes of the Administrator issued to the Secretary
10 of the Treasury under titles I and II of this Act, and all other
11 liabilities against the appropriations or assets in the loan
12 account shall be liabilities of said account, and all other obli-
13 gations against such appropriations or assets shall be obliga-
14 tions of said account. Moneys in the loan account shall also
15 be available for interest and principal repayments on notes
16 issued by the Administrator to the Secretary of the Treasury.
17 Otherwise, the balances in said account shall remain available
18 to the Administrator for loans under titles I and II of this
19 Act and for advances in connection therewith not to exceed
20 any existing appropriations or authorization limitations and
21 in such further amounts as the Congress from time to time
22 determines in appropriation Acts. The amounts so author-
23 ized for loans and advances shall remain available until ex-
24 pended.”

1 SEC. 503. Subsection (f) of section 3 of the Rural Elec-
2 trification Act, as amended, is repealed.

3 SEC. 504. If any provision of this Act is declared un-
4 constitutional, or the applicability thereof to any person or
5 circumstance is held invalid, the validity of the remainder of
6 this Act and the applicability thereof to other persons and
7 circumstances shall not be affected thereby.

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

JANUARY 31, 1962

Referred to the Committee on Agriculture

activities of various Senate committees.

It is hoped that on Tuesday the Senate will take up the welfare and pension fund proposed legislation.

ASSISTANCE TO PUBLIC AND OTHER NONPROFIT INSTITUTIONS OF HIGHER EDUCATION

Mr. HUMPHREY. Madam President, in order to make the bill the pending business for today, I move that the Senate proceed to the consideration of Calendar No. 1053, Senate bill 1241, to authorize assistance to public and other nonprofit institutions of higher education.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1241) to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities and to authorize scholarships for undergraduate study in such institutions, which had been reported from the Committee on Labor and Public Works with amendments.

COMMITTEE MEETING DURING SENATE SESSION

Mr. HUMPHREY. Madam President, I ask unanimous consent that the Antitrust Subcommittee of the Judiciary Committee be permitted to sit during the remainder of the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED AGRICULTURAL PROGRAM — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 323)

Mr. HUMPHREY. Madam President, the President of the United States has today transmitted to the Senate a message proposing a farm program, which message, I understand, has been read in the House of Representatives. I therefore ask unanimous consent that the message be referred to the appropriate committee, without being read, and printed in the RECORD.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

The message was referred to the Committee on Agriculture and Forestry, as follows:

To the Congress of the United States:

Management of our agricultural resources to meet the triple goals of increased farm income, lower cost to the taxpayer, and reduced farm surpluses continues to be one of the most difficult problems confronting the Nation. A good start was made last year. Net farm income rose \$1 billion, and income per farm increased almost \$350. Government stocks of farm products were reduced for the first time in 9 years. Budgetary costs were below those that

would have been incurred under the programs that were replaced. All this was accomplished at the same time food prices were reduced below their level a year earlier.

But the emergency programs enacted last year are expiring. There is a critical need for permanent legislation to consolidate the gains of 1961 and to provide a realistic and comprehensive program for agriculture in the years ahead—a program with which we can continue to move forward toward full utilization of our abundance. The drift toward a chaotic, inefficient, surplus-ridden farm economy, though halted last year, will resume unless prompt action is taken. In addition, new problems have developed in commodities not covered by the 1961 legislation. Unanticipated changes in consumer demand have produced still further surpluses. A reversion to the former programs for wheat and feed grains will inevitably bring both enormous surpluses and depressed farm income, seriously injuring a large segment of our economy.

OUR INCREASING PRODUCTIVITY

Our rapidly growing capacity to produce far outruns the growth of our domestic and foreign demand for food and fiber. This offers us an opportunity to manage abundance, rather than scarcity, an opportunity that is unique among nations of the world. It is relatively new even for the United States.

Early in this century there was serious question whether agriculture could, with the closing of the land frontier, continue to meet the food and fiber demands of a growing population. The rate of growth in farm output was declining, and food and fiber prices were rising relative to other prices. Public policy emphasized resource conservation and investment, and publicly supported research and education were designed to speed progress in agricultural productivity.

By the mid-1920's these efforts began to bring dramatic results. Agricultural productivity began to rise and farm employment began to decline. But the full implications of this rapid technological progress in agriculture were obscured—first by the depression, then by the Second World War, and then by the Korean conflict. During the depression the overriding problem was the catastrophic decline in demand for farm products, and policy was directed to protecting farm prices and incomes from its consequences. During the war and the Korean conflict, agricultural programs were designed to encourage increases in output to meet emergency demands and to protect farm incomes when these abnormal demands disappeared.

But in the 1950's agriculture felt the full effects of earlier programs to raise productivity. Farm output increased by more than one-fourth while use of labor declined by one-third. Surpluses accumulated and farm prices were brought under increasing pressure. Prices today are lower relative to other prices than during the first two decades of this century, even though crops are now harvested from 40 million fewer acres. The technological revolution in agriculture continues to increase yield at an accel-

erating rate. Our ability to produce more than the market can absorb will continue as far into the future as we can safely predict, outpacing population growth. Instead of a shortage of cropland, as many have long predicted, it now appears that by 1980 we will need 50 million fewer acres than we have today.

The commodity programs which were designed primarily to meet the emergencies of depression and war have retained for agriculture itself only a small part of these gains from increasing productivity. Most of the gains have been passed on to consumers. We spend less than 20 percent of our income on food; the Western European spends between 30 and 50 percent of his income on food; and the Russian uses 60 percent of his income for this same purpose. But failure to control production effectively has dissipated some of our potential gains to both farmers and consumers by drawing prime resources into the production and storage of surplus commodities.

THE NEED FOR ACTION

Most industries are able to adjust to excess supply or reduced demand by variations in their rate of production. The larger the number of individual producing units and the more inflexible their production schedules, however, the more difficult it is to make the necessary adjustments. Our farm production is composed of millions of separate producers with schedules that must be planned a year or more in advance. Acting individually, the farmer cannot shift readily away from commodities in surplus. Nor will lower farm prices automatically assure reduced farm output, unless those prices fall to disastrous levels and remain there. Historically, lower prices have been met by increased output, in a desperate effort by the farmer to make his business profitable and to stay on the land.

Four independent studies, by Cornell University, Iowa State University, the Joint Economic Committee of Congress, and the Senate Committee on Agriculture and Forestry, show how sharp would be the drop in farm prices and farm income if farm programs were abandoned. These studies agree that wheat prices would be sliced almost in half, oats prices 25 percent, barley 28 percent, soybeans 38 percent, grain sorghums 22 percent, and dairy 17 percent. Non-price-supported commodities would also suffer. Livestock commodities would drop 24 percent, egg prices 20 percent, cattle prices 25 percent, hogs 30 percent, and broilers and turkeys even lower than this year.

Nor can the Federal Government be expected to undertake an indefinite program of large and unpredictable budget expenditures to acquire stocks of commodities that we do not need and cannot use. By the beginning of 1961—when the emergency legislation was introduced to reduce inventories—the Commodity Credit Corporation had over \$9 billion in loans and inventories. Carrying costs exceeded \$1 billion a year.

This large and continuing expenditure did not result in any increased income

to the farmer. The 1.5 million efficient family farms which produce 87 percent of our total production are technically progressive, but their return on labor and capital has not kept pace with the rest of the population. Their incomes are highly sensitive to year-to-year fluctuations in farm output, especially when it is unrelated to demand.

The other 2 million or more farm operators who produce 13 percent of all farm products sold have especially low incomes because they own or control too little land or too little capital, and often possess too little skill or managerial ability.

Smalltown and rural America is dependent for prosperity upon the farmer. An improvement in his standard of living and in his income is immediately reflected in an improvement in the economy of the small urban center in his community. Any program should bear in mind this factor.

Our two goals—improving income and reducing costs—can both be achieved only if farm output can be reduced below needs for several years and then be allowed to increase at a rate equal to the growth in demand. That is the framework of logic and fact in which we now propose a broad new farm program—a program in four parts—each equally important and all interdependent.

OBJECTIVES

The new program should use the successful emergency legislation passed last year to establish guidelines and should also rely upon those proven techniques and methods that have been employed in the past. It should be designed:

1. To make maximum use of our productive abundance. Our agricultural resources can advance the cause of peace and freedom throughout the world; they assure Americans of a high standard of living; they can be an important weapon against poverty and disease.

2. To seek a balance between production and demand that will avoid the waste of private effort and public resources. Rice, peanuts, and tobacco already enjoy well balanced programs whose principles can be extended to other crops. Properly balanced, agriculture can make a major contribution toward economic stability. The farmer, the consumer, and the taxpayer can all share in the benefits; without such balance, all may suffer.

3. To provide for conservation of our land and water resources. Land and water not needed to produce food and fiber should be directed to alternative uses of benefit to the Nation.

4. To initiate and expand programs for the development of human resources and renewal of rural communities. Each year 1 million people move from the farm to the city. Many others seek part-time employment to supplement meager returns from farm labor. The hardship and suffering this often entails should be alleviated, and these workers assisted in their efforts to acquire needed skills, obtain jobs, and further their education.

Abundance, balance, conservation, development—these are our commonsense goals—as commonsense as A, B, C, D.

The program that follows—an A-B-C-D farm program for the sixties—is designed to meet those goals.

This is a program for maximum freedom and flexibility in the operation of individual farm enterprises. Improvements in farming efficiency as well as shifts among enterprises must not only be allowed—they must be encouraged. They are in the longrun national interest; they are consistent with this program's overall objectives.

The new commodity programs recommended could become effective only after they are approved democratically by a two-thirds majority in a producer referendum. Producers of cotton, tobacco, rice, peanuts, and wheat have long followed this procedure of choosing jointly to exert a measure of control over the production and marketing of their crops, just as industry groups exercise control over the product of their labor and investment. This democratic procedure can be extended to other farm commodities.

I. EXPANDED USE OF AGRICULTURAL ABUNDANCE

Last year there was a greater expansion of our food utilization programs than ever before in our history.

Eighty-five thousand more schools, child-care centers, and camps are receiving fresh milk that previously had no such opportunity. Seven hundred thousand more children enjoy a hot school lunch. Both the quantity and the variety of food distributed to more than 6 million needy persons has been increased substantially.

A pilot food stamp program in eight communities has brought such encouraging results that its administrative expansion in a further trial period to many additional communities is justified and is included in the new budget.

We have also increased our shipments of food to other nations under Public Law 480, thus using our agricultural abundance to combat hunger and contribute to economic development throughout the free world. We have stepped up our emphasis on school lunch programs abroad, thus encouraging both education and better nutrition for the rising generation, on which so much of the future of these new nations depends. We shall continue to expand these programs wherever feasible.

We have markedly increased programs under which U.S. food is used to further projects for social and economic development in emerging nations. Today American agricultural abundance assists such projects in 11 countries, as compared with only 2 in 1960. And more than three-fourths of the local currency accruing from the sales authorized under title I in 1961 will be used for economic development programs.

Our overall shipments under Public Law 480 during this fiscal year will reach an estimated 22 percent more than those of the previous fiscal year.

Last year the Congress extended and improved Public Law 480. In order that our food-for-peace program can be made even more effective in the future I recommend:

- (1) An amendment of title II of Public Law 480 to permit shipments of sur-

plus commodities such as dried beans and peas not in CCC inventory;

- (2) Provisions to broaden the purpose of title IV to include market development; and

- (3) A new title V to promote multinational programs for food assistance, authorizing the President to negotiate and carry out agreements for this purpose with international organizations and other intergovernmental groupings.

II. I RECOMMEND NEW PROGRAMS FOR FEED GRAINS, WHEAT, AND DAIRY PRODUCTS TO ACHIEVE THE PROPER BALANCE BETWEEN PRODUCTION AND DEMAND, AND MODIFICATION OF THE COTTON PROGRAM

FEED GRAINS

For 9 consecutive years, prior to 1961 feed grain surpluses increased. The cost of carrying corn and grain sorghum inventories rose to nearly \$500 million in 1961, and the total program cost rose to a record level.

The 1961 feed grain program has reversed this trend. The 1961 crop was 800 million bushels smaller than it would have been without the program. The feed grain carryover will drop for the first time in a decade. A program similar to that of 1961 remains in operation for 1962 only. Without new legislation, the programs which failed us in the 1950's will automatically take effect again in 1963.

The feed grain program I recommend is designed to reduce feed grain output to a level that will maintain prices and incomes in the feed grain and livestock sectors of the farm economy without continuous ever-higher surplus accumulation. This can be accomplished by establishing a mandatory acreage allotment on all feed grains large enough to meet annual domestic and export requirements, for all purposes under all programs, less that amount which is to be deducted from the carryover stocks to reduce them gradually to a level no higher than that required for stability and security. Producers would share in the national allotment on the basis of past production, adjusted for unusual circumstances. Payments for diverted acreage would, of course, continue to be made to support farm income while surplus stocks are being reduced.

Initiation of this program is proposed for the 1963 crop year, subject to approval by a producer referendum.

WHEAT

The problems of wheat production are much the same as for feed grains. Large inventories and high program costs were inherited from the 1950's. The temporary 1962 wheat program is expected to halt the accumulation of wheat surpluses, but the old programs—which have already failed—will become effective again for the 1963 crop unless legislation is promptly enacted.

I recommend a wheat program which will reduce wheat stocks to manageable levels, improve the competitive position of American wheat in world markets, and maintain the incomes of wheat producers. To achieve these objectives, national wheat acreage allotments will be established by estimating the actual requirements each year for milling, seed, and for export, and deducting a number

of bushels that will permit us to draw upon our surplus stocks on hand to gradually reduce the carryover to the level required for stability and security. Marketing certificates would be used to assure growers a price-support level between 75 and 90 percent of parity on the domestic allotment and up to 90 percent on the export allotment. The national allotment would be apportioned among all growers, including small growers, on the basis of past wheat acreage. The Secretary of Agriculture will have authority to make payments, which will help to maintain producers' incomes, for mandatory diversion of acreage from wheat to soil-conserving uses, and to offer such payments as an incentive for further voluntary acreage diversion.

Initiation of this program is necessary for the 1963 crop year. As in the case of feed grains, it would be subject to approval by a producer referendum.

COTTON

Cotton suffers chiefly from the attempt to adopt a single legislative program to widely divergent crop needs. There is a sharp conflict between the demand for cheap cotton that can compete effectively with substitute fibers and the need for support levels high enough to assure farmers an adequate income; between the interest of textile mill owners—who face stiffening world competition—in low raw material costs and in the interest of the producer in income sufficiently high to cover his costs; and between our Nation's desire to expand further our world trade in cotton and to hold down a Federal budget already augmented by cotton export subsidies. These conflicts can best be reconciled by a program which establishes a support price upon allotted acreage but permits efficient producers to grow additional acreage at the world price.

I recommend that the Secretary of Agriculture be given authority to:

1. Establish the acreage allotment at a level which would produce the cotton needed for domestic use and such portion of the cotton exports as he may determine.

2. Authorize growers to exceed their farm acreage allotment by up to 30 percent, with the cotton produced on the additional acreage to be marketed under a plan which will net the grower approximately the world market price.

DAIRY PRODUCTS

Milk and dairy products constitute one of our most important sources of nutrients. They are also one of our most valuable farm products, bringing twice the cash income of the basic crops.

Incomes of dairy farmers were improved by the bill passed by Congress late in 1960 to increase the support price for milk from \$3.06 to \$3.22 per hundred pounds and by the increase in the support price last March to \$3.40 per hundred pounds for the current marketing year.

Unfortunately, milk producers now face a serious setback. An unexpected decline in the consumption of milk during the past year, amounting to nearly 3 billion pounds, will result in Govern-

ment expenditures this year of approximately \$500 million to support the prices of dairy products. There is no evidence as yet that this decline in consumption will be reversed in the year ahead. Under the present law, the Secretary of Agriculture is not authorized to set the price support rate for milk above 75 percent of parity unless necessary in order to assure an adequate supply. Under this law, in the present supply situation, the reduced support price must be announced for the marketing year beginning next April 1.

Such a reduction in milk price supports will gravely impair the incomes of milk producers. It will not, however, succeed in reducing Government expenditures to a reasonable and justifiable level. Even at 75 percent of parity—the minimum level specified in the present law—Government costs for supporting prices of dairy products will probably exceed \$440 million next year, as production continues to exceed consumption.

New legislation to correct the shortcomings of the present dairy price support laws, is, therefore, urgently required, for the benefit of both farmer and taxpayer. I recommend passage by the Congress of legislation which will: (a) maintain the income of the dairy farmers by establishing support prices of up to 90 percent of parity under a supply management program; and (b) reduce the budgetary expenditures for the dairy price support program to the cost of acquiring dairy products needed for domestic welfare and foreign assistance programs, up to a maximum of \$300 million per year, plus the costs incurred in the special milk and school lunch programs.

Each milk producer would be assigned a marketing base equal to his marketings of milk in 1961. His marketing allotment for the current year would reflect a percentage of his base proportionate to his share of the estimated commercial demand and the quantities needed for Government programs in the national interest. Producers who market milk in excess of their allotments would pay surplus marketing fees on such milk, which would be used to purchase and dispose of the surplus products produced from excess milk.

Milk producers would be provided an opportunity to vote upon this program in a referendum. In the event the milk producers reject this program a support price would be established at such a level as to limit budgetary expenditures to \$300 million a year. Authority is also requested to include supply management provisions in Federal milk marketing orders when desired by milk producers in markets regulated under such orders.

While this legislation is being considered and implemented, in order to prevent disruption of markets by reduction of price supports to 75 percent of parity as required under the present law on April 1, 1962, I recommend enactment of a joint resolution authorizing the continuation of price supports on dairy products at the current level until December 31, 1962.

III. EFFICIENT CONSERVATION AND UTILIZATION OF LAND

The scope of agricultural technology promises abundance tomorrow as well as today. For the first time in our history we can confidently predict that our future food and fiber needs can be met with fewer acres of cropland. In spite of a 65 million increase in population by 1980, our farms will be able to produce all we need with 50 million fewer acres than we have in cropland today.

This prospect offers us an opportunity to take advantage of the unused acres for a wide range of recreational, esthetic, and economic purposes. Land-use changes are not only important to balanced production, they can also supply the growing demand for outdoor recreational areas and wildlife promotion, for woodlots and forests, and for grazing. We can transfer cropland to grass and trees—and we can place greater emphasis on wildlife and recreation development in the small watershed programs.

I recommend legislation to encourage a comprehensive survey of land uses, to undertake a research program on the conversion of land to alternate purposes, and to initiate a series of pilot and demonstration land-use projects. As the pilot plan is evaluated and a permanent program for land use developed, it will be possible for our supply management efforts to place less emphasis on temporary diversion of acreage from the production of specific crops, and more on the permanent utilization of acreage to fulfill other public needs.

An effective land use program also requires the following additional legislation:

1. Amendment of the Soil Conservation and Domestic Allotment Act to expand the agricultural conservation program to include payments and cost-sharing arrangements, under long-term contracts, which would permit changes in cropping systems and land uses for the conservation and development of soil, water, forests, wildlife and recreational resources.

2. Amendment of the Bankhead-Jones Farm Tenant Act to include the use of land acquired under that act for recreational development and wildlife protection.

3. Amendment of the Watershed Protection and Flood Prevention Act to permit the Secretary to share in the cost of any land acquired by local organizations for operation as a reservoir of public fish, wildlife or recreational development.

4. Modification of the Watershed Act to provide for loans for recreational facilities.

5. Expansion of the authority of the Farmers Home Administration to make loans to farmers for recreational enterprises.

Additional legislation for conservation of our renewable resources is also necessary. These recommendations will be included in a message I will send to the Congress devoted to proposals for the maximum utilization of our land resources.

IV. DEVELOPMENT AND UTILIZATION OF AGRICULTURE'S HUMAN RESOURCES

The Department of Agriculture has launched a series of programs for the development and renewal of rural areas and rural communities. These programs are designed to end rural poverty by offering new opportunities—both agricultural and nonagricultural—to rural people. Activities of the Rural Electrification Administration, the Farmers Home Administration, the Federal Extension Service and other Department agencies are being coordinated under the rural area development program in close cooperation with the Area Redevelopment Administration.

To make the most of the human resources in these rural areas, there is one need that transcends all others—that is education. Education can give them new vistas, new opportunities, new skills in place of the poverty that no price support program will ever remove.

Most of the necessary activities are already authorized by law. However, some additional authority is needed.

In many rural areas, the difficulty of financing adequate safe and sanitary housing and modern community facilities such as water and sewage systems, recreational installations, and transportation, has deterred general community improvement and more rapid industrialization. I recommend, therefore, new legislation to enable the Farmers Home Administration to finance sewage systems and other rural community facilities.

RURAL RENEWAL AND EDUCATION

In some rural areas the general level of economic activity and family income is so low, and the lack of community facilities so acute, that a complete new development operation is the only sensible solution—a program of rural renewal.

For these areas, in addition to the nationwide rural area development program, I recommend a new legislative program under the Area Redevelopment Administration, to provide loans and technical assistance to local public rural renewal corporations. These corporations would aid in developing new uses for land and water, create forest industry parks, assist small farmers in farm consolidation and enlargement, and develop needed public facilities, including outdoor recreation. The bill would permit loans to approved public agencies to acquire, develop and dispose of land for these purposes, and provide for other loans to individual farmers to establish recreational facilities and other income-producing enterprises. Consideration might also be given to making loans available to rural citizens, both young and old, for vocational and other educational training not otherwise available but essential to their preparation for nonfarm jobs.

CONCLUSION

The goals of this program for food and agriculture are goals on which there is broad general agreement.

First, we seek to enable efficient farm operators to earn incomes equivalent to

those earned in comparable nonfarm occupations.

Second, we seek continued production of food and fiber at reasonable prices in quantities sufficient to meet the needs of all Americans and to combat hunger and contribute to economic development throughout the free world.

Third, since we seek abundance for our children as well as for ourselves, we must conserve and use wisely our resources of land and water.

Fourth, we seek to end rural poverty. Farm children, and many farm adults as well, need improved opportunities for education and training, to equip them to earn an American standard of living in whatever occupation they freely choose to follow.

We will enjoy the fruits of the technological revolution in American agriculture only if we recognize its implications. We must learn to live with an agricultural economy of abundance rather than scarcity. That is the purpose of the approach I have outlined—a comprehensive, long-range program to replace the present patchwork of short-run emergency measures.

JOHN F. KENNEDY.

THE WHITE HOUSE, January 31, 1962.

RESOLUTION OF DISAPPROVAL OF REORGANIZATION PLAN NO. 1 FOR CREATION OF A DEPARTMENT OF URBAN AFFAIRS

Mr. McGEE. Madam President, I submit and send to the desk a resolution of disapproval of the President's reorganization plan for the creation of a Department of Urban Affairs and Housing.

Madam President, I strongly support the President's program. An early vote on this important program is needed. Therefore, my reason for submitting this resolution of disapproval is to insure an early vote by the Senate.

Under the rules relating to reorganization plans, a vote can be taken 10 days after a Member has moved that the committee be discharged from the further consideration of a resolution of disapproval.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 238) was referred to the Committee on Government Operations, as follows:

Resolved, That the Senate does not favor the Reorganization Plan Numbered 1 of 1962 transmitted to Congress by the President on January 30, 1962.

Mr. HUMPHREY. Madam President, I appreciate very much the service rendered by the Senator from Wyoming. The action he proposes is essential if the Senate is to act promptly on the reorganization plan.

There is some controversy over the plan, and I believe there should be hearings and the plan should be thoroughly considered. The resolution submitted by the Senator from Wyoming is a means of expediting the action of the Senate on the reorganization plan, and I very much appreciate the service he has rendered in that connection.

Madam President, yesterday the Senate received from the President of the United States the text of Reorganization Plan No. 1 of 1962, establishing a Department of Urban Affairs and Housing.

As a former mayor of one of the great cities of this Nation, and as the chairman of the subcommittee which last year held extensive hearings on the bill to establish such a Department, I want to commend the President for his action.

Proposals for a department to represent our urban areas at the Cabinet level have been before the Congress for nearly 20 years.

Extensive testimony has been heard on these proposals; and during the first session of this Congress the Committees on Government Operations of both the Senate and the House of Representatives reported such bills favorably.

The time for action is long past; and I am glad the President has acted without further delay.

I expect that we shall see a desperate attempt, by those who have not yet caught up with history, to prevent this reorganization plan from taking effect.

For the good of the nation, I hope the opposition fails.

Over three-fourths of our population now resides in urban areas. Nearly all the population increase we can expect in the years ahead will be in urban areas.

It is essential that a department be created in the executive branch of the Government to serve as the focal point for the interests of those who live in our urban areas.

And it is essential that those who live in these areas have a spokesman in the highest council of our Nation—the President's Cabinet.

The President's action will be attacked as the opening of a drive to create a new bureaucracy and to inject the Federal Government into local affairs.

Both attacks are unjustified and without merit. The President's proposal creates no new functions or powers. It establishes a department and coordinates activities—to improve efficiency.

The reorganization plan the President has transmitted to us would create only seven new positions—those of the Secretary and the leading officers of the new Department. It would abolish two existing positions.

The net increase of five positions hardly constitutes, to my mind, the threat of a burgeoning bureaucracy. And any further increase would require action by the Congress. The President's plan gives no new powers or functions to the new Secretary.

Neither is there anything in the reorganization plan submitted by the President which would extend the existing functions of the Government, add any new programs, or otherwise involve the Federal Government in activities not now authorized by law.

There are some of us in the Congress who believe further legislation is needed to enable the Federal Government to fulfill its proper responsibilities in regard to urban affairs. But that is not a question raised by the reorganization plan.

All that is involved in this plan are the powers and functions presently assigned

House of Representatives

WEDNESDAY, JANUARY 31, 1962

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 84: 5: *Blessed is the man whose strength is in Thee.*

Almighty God, may our hearts expand with pride and gratitude that we are Thy children and the citizens of a country whose national life is rooted in the great spirituals, principles of the fatherhood of God and the brotherhood of man.

Grant that we may have a more daring confidence in the dynamic reality and power of those impressive verities and virtues and recognize our responsibility to help make them regnant in the realm of universal history and in the life of burdened and brokenhearted humanity.

We earnestly beseech Thee that our President, our Speaker, and all who are serving our Nation in the affairs of Government may be kept by Thy grace in the ways of honor and integrity. Gird them with faith and fortitude. Give them wisdom and understanding, patience and perseverance as they labor for the dawning of that blessed day when reason and righteousness shall be gloriously triumphant.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

CORRECTION OF ROLL CALL

Mr. McSWEEN. Mr. Speaker, on roll call No. 8 on January 30, 1962, I am recorded as not voting. I was present and voted "nay." I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SECRET NEGOTIATIONS WITH THE SOVIET UNION

(Mr. ALGER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ALGER. Mr. Speaker, I am deeply concerned with developments of the last few days which indicate the President may be indulging in further

secret negotiations with the Soviet Union. We are still trying to find out exactly what went on in Vienna when the President met with Khrushchev. Neither the Congress nor the American people have ever been given a frank report of that meeting.

News accounts of the past few days lead me to believe the President is indulging in more secret diplomacy with the Soviets and I am concerned with what direction such meetings may lead our national policy and with the ability of those who may be conducting the negotiations. We learn, from the newspapers, that Pierre Salinger, the President's publicity man, spent 4 hours with the Soviet representative in Paris early this week and then flew home to take part in a White House meeting with Khrushchev's son-in-law, the editor of Izvestia, and is now preparing to make an official visit to Moscow in behalf of the President.

I question Mr. Salinger's background and ability to carry on negotiations between the United States and the Soviet Union. He is not an elected official, his appointment on the White House staff has never been confirmed by any legislative body. His responsibility is directly to the President and his sole duty, it would appear from the personal propaganda buildup we have been subjected to over the past year, is to keep the President in the public eye and to improve his Gallup Poll rating. There is nothing in his background, as far as I have been able to learn, which would equip him to conduct any kind of negotiations with the Russians, or to advise responsible officials on foreign policy.

I think it is the duty of the President to tell the Congress if he is engaging in secret diplomacy with Khrushchev. We cannot afford another Vienna. We cannot take a chance that the young and inexperienced White House publicity man will be able to deal successfully with the tough representatives of the Kremlin. We need experienced negotiators, a sound policy based on American self-interest, and honesty with Congress and the American people as to just what is going on and what the President hopes to accomplish.

ADMINISTRATION ANTICS

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, in Punte del Este, Uruguay, the vote has been taken and Fidel Castro has been given an inaudible slap on the wrist. The two largest countries on the South American continent sat it out on the sidelines. This may mean that Douglas Dillon will

head for South America soon to pledge them another \$20 billion.

Meanwhile, Pierre Salinger has emerged as the new Secretary of State in negotiations between Moscow and Washington, with stopovers in such way-points as Paris.

With the moonshot missing, and Astronaut Glenn grounded for another 2 weeks, perhaps there will be room in the newspapers for a report on the Hatfield and McCoy feud in Massachusetts.

DEPARTMENT OF URBAN AFFAIRS

(Mr. LINDSAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDSAY. Mr. Speaker, I should like to make clear my position on the subject of a Department of Urban Affairs.

First, since I have been a Member of Congress I have introduced legislation to create a Department of Urban Affairs. I have spoken and written at some length on the subject. My experience in the executive branch of the Government under the Eisenhower administration and as a Member of Congress has convinced me that the present Federal structure in respect of urban matters in the executive branch is uncoordinated and scattered. For the sake of house-keeping alone, this move is important in order to collect under one roof the many areas of Federal approaches to urban problems now scattered in a variety of departments, bureaus, and sub-agencies. The bill that I drafted I think is a better bill than the administration's bill. The concept, however, is the same, and I will support the proposed reorganization plan.

Second, this does not necessarily mean an enlargement of the Federal Government, any more than did President Eisenhower's reorganization of the Social Security Agency and other Federal interests into a single executive department, the Department of Health, Education, and Welfare.

Third, President Kennedy's injection of a racial issue into the subject of a Department of Urban Affairs is shameful. If the proposal is sound, it should be voted on and passed. If it is unsound, it should not. The proposal should be considered on its merits alone. It is unprecedented that a President would announce his appointee to either an executive agency or a court in advance of the creation of the office. Mr. Weaver, the present head of the Housing and Home Finance Agency, is a New Yorker whom I have long known and admired. He is a leading expert on the subject of housing. He would certainly be an excellent choice to head a Department on Urban

Affairs when and if created, and I for one would applaud such a selection. The clear implication of President Kennedy's statement was, however, that he was making the advance announcement of his proposed choice because Mr. Weaver is a Negro, not because he is necessarily the best man. This does a disservice to Mr. Weaver, a dedicated public servant, and to the cause of civil rights and its advancement.

REPORT ON NATION'S AERONAUTICS ACTIVITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 324)

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, was referred to the Committee on Science and Astronautics and ordered to be printed:

To the Congress of the United States:

In accordance with section 206(b) of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report for the calendar year 1961, on this Nation's aeronautics and space activities.

During 1961, major attention was devoted to establishing our policy objective of space leadership and to accelerating our efforts toward achieving that objective.

In my message to the Congress on May 25, 1961, I stated that a leading role in space achievements may well hold the key to this country's future. That I reaffirm. Last year, we made necessary decisions and, with the support of the Congress, stepped up the pace of performance. Even greater strides must be made in the coming months and years, and thus the recommended budget which I submitted to the Congress earlier this month contains requests for funds for the fiscal year 1963 space program, totaling \$5.5 billion, an increase of \$2.4 billion over fiscal year 1962 and \$3.7 billion over fiscal year 1961.

It is the policy of the United States that activities in space be devoted to peaceful purposes and during 1961 we made significant progress in that regard. Such progress included space projects to help keep the peace and space projects to increase man's well-being in peace.

In summary form, the accompanying report indicates the contributions of the various departments and agencies of the Government to a national space program.

JOHN F. KENNEDY.

THE WHITE HOUSE, January 31, 1962.

MANAGEMENT OF AGRICULTURAL RESOURCES — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 323)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Agriculture, and ordered to be printed:

To the Congress of the United States:

Management of our agricultural resources to meet the triple goals of increased farm income, lower cost to the taxpayer, and reduced farm surpluses continues to be one of the most difficult problems confronting the Nation. A good start was made last year. Net farm income rose \$1 billion, and income per farm increased almost \$350. Government stocks of farm products were reduced for the first time in 9 years. Budgetary costs were below those that would have been incurred under the programs that were replaced. All this was accomplished at the same time food prices were reduced below their level a year earlier.

But the emergency programs enacted last year are expiring. There is a critical need for permanent legislation to consolidate the gains of 1961 and to provide a realistic and comprehensive program for agriculture in the years ahead, a program with which we can continue to move forward toward full utilization of our abundance. The drift toward a chaotic, inefficient, surplus-ridden farm economy, though halted last year, will resume unless prompt action is taken. In addition, new problems have developed in commodities not covered by the 1961 legislation. Unanticipated changes in consumer demand have produced still further surpluses. A reversion to the former programs for wheat and feed grains will inevitably bring both enormous surpluses and depressed farm income, seriously injuring a large segment of our economy.

OUR INCREASING PRODUCTIVITY

Our rapidly growing capacity to produce far outruns the growth of our domestic and foreign demand for food and fiber. This offers us an opportunity to manage abundance, rather than scarcity, an opportunity that is unique among nations of the world. It is relatively new even for the United States.

Early in this century there was serious question whether agriculture could, with the closing of the land frontier, continue to meet the food and fiber demands of a growing population. The rate of growth in farm output was declining, and food and fiber prices were rising relative to other prices. Public policy emphasized resource conservation and investment, and publicly supported research and education were designed to speed progress in agricultural productivity.

By the mid-1920's, these efforts began to bring dramatic results. Agricultural productivity began to rise and farm employment began to decline. But the full implications of this rapid technological progress in agriculture were obscured—first by the depression, then by the Second World War, and then by the Korean conflict. During the depression the overriding problem was the catastrophic decline in demand for farm products, and policy was directed to protecting farm prices and incomes from its consequences. During the war and the Korean conflict, agricultural programs were designed to encourage increases in output

to meet emergency demands and to protect farm incomes when these abnormal demands disappeared.

But in the 1950's, agriculture felt the full effects of earlier programs to raise productivity. Farm output increased by more than one-fourth while use of labor declined by one-third. Surpluses accumulated and farm prices were brought under increasing pressure. Prices today are lower relative to other prices than during the first two decades of this century, even though crops are now harvested from 40 million fewer acres. The technological revolution in agriculture continues to increase yield at an accelerating rate. Our ability to produce more than the market can absorb will continue as far into the future as we can safely predict, outpacing population growth. Instead of a shortage of cropland, as many have long predicted, it now appears that by 1980 we will need 50 million fewer acres than we have today.

The commodity programs which were designed primarily to meet the emergencies of depression and war have retained for agriculture itself only a small part of these gains from increasing productivity. Most of the gains have been passed on to consumers. We spend less than 20 percent of our income on food; the Western European spends between 30 and 50 percent of his income on food; and the Russian uses 60 percent of his income for this same purpose. But failure to control production effectively has dissipated some of our potential gains to both farmers and consumers by drawing prime resources into the production and storage of surplus commodities.

THE NEED FOR ACTION

Most industries are able to adjust to excess supply or reduced demand by variations in their rate of production. The larger the number of individual producing units and the more inflexible their production schedules, however, the more difficult it is to make the necessary adjustments. Our farm production is composed of millions of separate producers with schedules that must be planned a year or more in advance. Acting individually, the farmer cannot shift readily away from commodities in surplus. Nor will lower farm prices automatically assure reduced farm output, unless those prices fall to disastrous levels and remain there. Historically, lower prices have been met by increased output, in a desperate effort by the farmer to make his business profitable and to stay on the land.

Four independent studies, by Cornell University, Iowa State University, the Joint Economic Committee of Congress, and the Senate Committee on Agriculture and Forestry, show how sharp would be the drop in farm prices and farm income if farm programs were abandoned. These studies agree that wheat prices would be sliced almost in half, oat prices 25 percent, barley 28 percent, soybeans 38 percent, grain sorghums 22 percent, and dairy 17 percent. Non-price-supported commodities would also suffer. Livestock commodities would drop 24 percent,

egg prices 20 percent, cattle prices 25 percent, hogs 30 percent, and broilers and turkeys even lower than this year.

Nor can the Federal Government be expected to undertake an indefinite program of large and unpredictable budget expenditures to acquire stocks of commodities that we do not need and cannot use. By the beginning of 1961—when the emergency legislation was introduced to reduce inventories—the Commodity Credit Corporation had over \$9 billion in loans and inventories. Carrying costs exceeded \$1 billion a year.

This large and continuing expenditure did not result in any increased income to the farmer. The 1.5 million efficient family farms which produce 87 percent of our total production are technically progressive, but their return on labor and capital has not kept pace with the rest of the population. Their incomes are highly sensitive to year-to-year fluctuations in farm output, especially when it is unrelated to demand.

The other 2 million or more farm operators who produce 13 percent of all farm products sold have especially low incomes because they own or control too little land or too little capital, and often possess too little skill or managerial ability.

Small town and rural America is dependent for prosperity upon the farmer. An improvement in his standard of living and in his income is immediately reflected in an improvement in the economy of the small urban center in his community. Any program should bear in mind this factor.

Our two goals—improving income and reducing costs—can both be achieved only if farm output can be reduced below needs for several years and then be allowed to increase at a rate equal to the growth in demand. That is the framework of logic and fact in which we now propose a broad new farm program—a program in four parts—each equally important and all interdependent.

OBJECTIVES

The new program should use the successful emergency legislation passed last year to establish guidelines and should also rely upon those proven techniques and methods that have been employed in the past. It should be designed:

1. To make maximum use of our productive abundance. Our agricultural resources can advance the cause of peace and freedom throughout the world; they assure Americans of a high standard of living; they can be an important weapon against poverty and disease.

2. To seek a balance between production and demand that will avoid the waste of private effort and public resources. Rice, peanuts, and tobacco already enjoy well-balanced programs whose principles can be extended to other crops. Properly balanced, agriculture can make a major contribution toward economic stability. The farmer, the consumer and the taxpayer can all share in the benefits; without such balance, all may suffer.

3. To provide for conservation of our land and water resources. Land and water not needed to produce food and

fiber should be directed to alternative uses of benefit to the Nation.

4. To initiate and expand programs for the development of human resources and renewal of rural communities. Each year 1 million people move from the farm to the city. Many others seek part-time employment to supplement meager returns from farm labor. The hardship and suffering this often entails should be alleviated, and these workers assisted in their efforts to acquire needed skills, obtain jobs, and further their education.

Abundance, balance, conservation, development—these are our commonsense goals, as commonsense as A B C D. The program that follows—an A-B-C-D farm program for the 1960's—is designed to meet those goals.

This is a program for maximum freedom and flexibility in the operation of individual farm enterprises. Improvements in farming efficiency as well as shifts among enterprises must not only be allowed—they must be encouraged. They are in the long-run national interest; they are consistent with this program's overall objectives.

The new commodity programs recommended could become effective only after they are approved democratically by a two-thirds majority in a producer referendum. Producers of cotton, tobacco, rice, peanuts, and wheat have long followed this procedure of choosing jointly to exert a measure of control over the production and marketing of their crops, just as industry groups exercise control over the product of their labor and investment. This democratic procedure can be extended to other farm commodities.

I. EXPANDED USE OF AGRICULTURAL ABUNDANCE

Last year there was a greater expansion of our food-utilization programs than ever before in our history.

Eighty-five thousand more schools, child-care centers, and camps are receiving fresh milk that previously had no such opportunity. Seven hundred thousand more children enjoy a hot school lunch. Both the quantity and the variety of food distributed to more than 6 million needy persons has been increased substantially.

A pilot food stamp program in eight communities has brought such encouraging results that its administrative expansion in a further trial period to many additional communities is justified and is included in the new budget.

We have also increased our shipments of food to other nations under Public Law 480, thus using our agricultural abundance to combat hunger and contribute to economic development throughout the free world. We have stepped up our emphasis on school lunch programs abroad, thus encouraging both education and better nutrition for the rising generation, on which so much of the future of these new nations depends. We shall continue to expand these programs wherever feasible.

We have markedly increased programs under which U.S. food is used to further projects for social and economic development in emerging nations. Today American agricultural abundance assists such projects in 11 countries, as

compared with only 2 in 1960. And more than three-fourths of the local currency accruing from the sales authorized under title I in 1961 will be used for economic development programs.

Our overall shipments under Public Law 480 during this fiscal year will reach an estimated 22 percent more than those of the previous fiscal year.

Last year the Congress extended and improved Public Law 480. In order that our food-for-peace program can be made even more effective in the future I recommend:

- (1) An amendment of title II of Public Law 480 to permit shipments of surplus commodities such as dried beans and peas not in CCC inventory;

- (2) Provisions to broaden the purpose of title IV to include market development; and

- (3) A new title V to promote multinational programs for food assistance, authorizing the President to negotiate and carry out agreements for this purpose with international organizations and other intergovernmental groupings.

II. I RECOMMEND NEW PROGRAMS FOR FEED GRAINS, WHEAT, AND DAIRY PRODUCTS TO ACHIEVE THE PROPER BALANCE BETWEEN PRODUCTION AND DEMAND, AND MODIFICATION OF THE COTTON PROGRAM

FEED GRAINS

For 9 consecutive years, prior to 1961 feed grain surpluses increased. The cost of carrying corn and grain sorghum inventories rose to nearly \$500 million in 1961, and the total program cost rose to a record level.

The 1961 feed grain program has reversed this trend. The 1961 crop was 800 million bushels smaller than it would have been without the program. The feed grain carryover will drop for the first time in a decade. A program similar to that of 1961 remains in operation for 1962 only. Without new legislation, the programs which failed us in the 1950's will automatically take effect again in 1963.

The feed grain program I recommend is designed to reduce feed grain output to a level that will maintain prices and incomes in the feed grain and livestock sectors of the farm economy without continuous ever-higher surplus accumulation. This can be accomplished by establishing a mandatory acreage allotment on all feed grains large enough to meet annual domestic and export requirements, for all purposes under all programs, less that amount which is to be deducted from the carryover stocks to reduce them gradually to a level no higher than that required for stability and security. Producers would share in the national allotment on the basis of past production, adjusted for unusual circumstances. Payments for diverted acreage would, of course, continue to be made to support farm income while surplus stocks are being reduced.

Initiation of this program is proposed for the 1963 crop year, subject to approval by a producer referendum.

WHEAT

The problems of wheat production are much the same as for feed grains. Large inventories and high program costs were inherited from the 1950's.

The temporary 1962 wheat program is expected to halt the accumulation of wheat surpluses, but the old programs—which have already failed—will become effective again for the 1963 crop unless legislation is promptly enacted.

I recommend a wheat program which will reduce wheat stocks to manageable levels, improve the competitive position of American wheat in world markets, and maintain the incomes of wheat producers. To achieve these objectives, national wheat acreage allotments will be established by estimating the actual requirements each year for milling, seed, and for export, and deducting a number of bushels that will permit us to draw upon our surplus stocks on hand to gradually reduce the carryover to the level required for stability and security. Marketing certificates would be used to assure growers a price-support level between 75 and 90 percent of parity on the domestic allotment and up to 90 percent on the export allotment. The national allotment would be apportioned among all growers, including small growers, on the basis of past wheat acreage. The Secretary of Agriculture will have authority to make payments, which will help to maintain producers' incomes, for mandatory diversion of acreage from wheat to soil-conserving uses, and to offer such payments as an incentive for further voluntary acreage diversion.

Initiation of this program is necessary for the 1963 crop year. As in the case of feed grains, it would be subject to approval by a producer referendum.

COTTON

Cotton suffers chiefly from the attempt to adopt a single legislative program to widely divergent crop needs. There is a sharp conflict between the demand for cheap cotton that can compete effectively with substitute fibers and the need for support levels high enough to assure farmers an adequate income; between the interest of textile millowners—who face stiffening world competition—in low raw material costs and in the interest of the producer in income sufficiently high to cover his costs; and between our Nation's desire to expand further our world trade in cotton and to hold down a Federal budget already augmented by cotton export subsidies. These conflicts can best be reconciled by a program which establishes a support price upon allotted acreage but permits efficient producers to grow additional acreage at the world price.

I recommend that the Secretary of Agriculture be given authority to:

1. Establish the acreage allotment at a level which would produce the cotton needed for domestic use and such portion of the cotton exports as he may determine.

2. Authorize growers to exceed their farm acreage allotment by up to 30 percent, with the cotton produced on the additional acreage to be marketed under a plan which will net the grower approximately the world market price.

DAIRY PRODUCTS

Milk and dairy products constitute one of our most important sources of nutrients. They are also one of our most

valuable farm products, bringing twice the cash income of the basic crops.

Incomes of dairy farmers were improved by the bill passed by Congress late in 1960 to increase the support price for milk from \$3.06 to \$3.22 per hundred pounds and by the increase in the support price last March to \$3.40 per hundred pounds for the current marketing year.

Unfortunately, milk producers now face a serious setback. An unexpected decline in the consumption of milk during the past year, amounting to nearly 3 billion pounds, will result in Government expenditures this year of approximately \$500 million to support the prices of dairy products. There is no evidence as yet that this decline in consumption will be reversed in the year ahead. Under the present law, the Secretary of Agriculture is not authorized to set the price-support rate for milk above 75 percent of parity unless "necessary in order to assure an adequate supply." Under this law, in the present supply situation, the reduced support price must be announced for the marketing year beginning next April 1.

Such a reduction in milk price supports will gravely impair the incomes of milk producers. It will not, however, succeed in reducing Government expenditures to a reasonable and justifiable level. Even at 75 percent of parity—the minimum level specified in the present law—Government costs for supporting prices of dairy products will probably exceed \$440 million next year, as production continues to exceed consumption.

New legislation to correct the shortcomings of the present dairy price support laws is, therefore, urgently required, for the benefit of both farmer and taxpayer. I recommend passage by the Congress of legislation which will: (a) maintain the income of the dairy farmers by establishing support prices of up to 90 percent of parity under a supply-management program; and (b) reduce the budgetary expenditures for the dairy price support program to the cost of acquiring dairy products needed for domestic welfare and foreign assistance programs, up to a maximum of \$300 million per year, plus the costs incurred in the special milk and school lunch programs.

Each milk producer would be assigned a marketing base equal to his marketings of milk in 1961. His marketing allotment for the current year would reflect a percentage of his base proportionate to his share of the estimated commercial demand and the quantities needed for Government programs in the national interest. Producers who market milk in excess of their allotments would pay surplus marketing fees on such milk, which would be used to purchase and dispose of the surplus products produced from excess milk.

Milk producers would be provided an opportunity to vote upon this program in a referendum. In the event the milk producers reject this program a support price would be established at such a level as to limit budgetary expenditures

to \$300 million a year. Authority is also requested to include supply management provisions in Federal milk marketing orders when desired by milk producers in markets regulated under such orders.

While this legislation is being considered and implemented, in order to prevent disruption of markets by reduction of price supports to 75 percent of parity as required under the present law on April 1, 1962, I recommend enactment of a joint resolution authorizing the continuation of price supports on dairy products at the current level until December 31, 1962.

III. EFFICIENT CONSERVATION AND UTILIZATION OF LAND

The scope of agricultural technology promises abundance tomorrow as well as today. For the first time in our history we can confidently predict that our future food and fiber needs can be met with fewer acres of cropland. In spite of a 65 million increase in population by 1980, our farms will be able to produce all we need with 50 million fewer acres than we have in cropland today.

This prospect offers us an opportunity to take advantage of the unused acres for a wide range of recreational, esthetic, and economic purposes. Land use changes are not only important to balanced production, they can also supply the growing demand for outdoor recreational areas and wildlife promotion, for woodlots and forests, and for grazing. We can transfer cropland to grass and trees—and we can place greater emphasis on wildlife and recreation development in the small watershed programs.

I recommend legislation to encourage a comprehensive survey of land uses, to undertake a research program on the conversion of land to alternate purposes, and to initiate a series of pilot and demonstration land use projects. As the pilot plan is evaluated and a permanent program for land use developed, it will be possible for our supply management efforts to place less emphasis on temporary diversion of acreage from the production of specific crops, and more on the permanent utilization of acreage to fulfill other public needs.

An effective land use program also requires the following additional legislation:

1. Amendment of the Soil Conservation and Domestic Allotment Act to expand the agricultural conservation program to include payments and cost-sharing arrangements, under long-term contracts, which would permit changes in cropping systems and land uses for the conservation and development of soil, water, forests, wildlife, and recreational resources.

2. Amendment of the Bankhead-Jones Farm Tenant Act to include the use of land acquired under that act for recreational development and wildlife protection.

3. Amendment of the Watershed Protection and Flood Prevention Act to permit the Secretary to share in the cost of any land acquired by local organizations for operation as a reservoir of public

fish, wildlife or recreational development.

4. Modification of the Watershed Act to provide for loans for recreational facilities.

5. Expansion of the authority of the Farmers Home Administration to make loans to farmers for recreational enterprises.

Additional legislation for conservation of our renewable resources is also necessary. These recommendations will be included in a message I will send to the Congress devoted to proposals for the maximum utilization of our land resources.

IV. DEVELOPMENT AND UTILIZATION OF AGRICULTURE'S HUMAN RESOURCES

The Department of Agriculture has launched a series of programs for the development and renewal of rural areas and rural communities. These programs are designed to end rural poverty by offering new opportunities—both agricultural and nonagricultural—to rural people. Activities of the Rural Electrification Administration, the Farmers Home Administration, the Federal Extension Service, and other Department agencies are being coordinated under the rural area development program in close cooperation with the Area Redevelopment Administration.

To make the most of the human resources in these rural areas, there is one need that transcends all others—that is education. Education can give them new vistas, new opportunities, new skills in place of the poverty that no price-support program will ever remove.

Most of the necessary activities are already authorized by law. However, some additional authority is needed.

In many rural areas, the difficulty of financing adequate safe and sanitary housing and modern community facilities such as water and sewage systems, recreational installations, and transportation, has deterred general community improvement and more rapid industrialization. I recommend, therefore, new legislation to enable the Farmers Home Administration to finance sewage systems and other rural community facilities.

RURAL RENEWAL AND EDUCATION

In some rural areas the general level of economic activity and family income is so low, and the lack of community facilities so acute, that a complete new development operation is the only sensible solution—a program of "rural renewal."

For these areas, in addition to the nationwide rural area development program, I recommend a new legislative program under the Area Redevelopment Administration, to provide loans and technical assistance to local public rural renewal corporations. These corporations would aid in developing new uses for land and water, create forest industry parks, assist small farmers in farm consolidation and enlargement, and develop needed public facilities, including outdoor recreation. The bill would permit loans to approved public agencies to acquire, develop, and dispose of land for these purposes, and provide for other loans to individual farm-

ers to establish recreational facilities and other income-producing enterprises. Consideration might also be given to making loans available to rural citizens, both young and old, for vocational and other educational training not otherwise available but essential to their preparation for nonfarm jobs.

CONCLUSION

The goals of this program for food and agriculture are goals on which there is broad general agreement.

First, we seek to enable efficient farm operators to earn incomes equivalent to those earned in comparable nonfarm occupations.

Second, we seek continued production of food and fiber at reasonable prices in quantities sufficient to meet the needs of all Americans and to combat hunger and contribute to economic development throughout the free world.

Third, since we seek abundance for our children as well as for ourselves, we must conserve and use wisely our resources of land and water.

Fourth, we seek to end rural poverty. Farm children, and many farm adults as well, need improved opportunities for education and training, to equip them to earn an American standard of living in whatever occupation they freely choose to follow.

We will enjoy the fruits of the technological revolution in American agriculture only if we recognize its implications. We must learn to live with an agricultural economy of abundance rather than scarcity. That is the purpose of the approach I have outlined—a comprehensive, long-range program to replace the present patchwork of short-run emergency measures.

JOHN F. KENNEDY.

THE WHITE HOUSE, January 31, 1962.

VETERANS' ADMINISTRATION SUPPLEMENTAL APPROPRIATION RESOLUTION FOR THE FISCAL YEAR ENDING JUNE 30, 1962

Mr. THOMAS. Mr. Speaker, in accordance with the unanimous consent agreement of yesterday, I call up the joint resolution (H.J. Res. 612) making supplemental appropriations for the Veterans' Administration for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I trust the gentleman is going to take ample time to explain this resolution.

Mr. THOMAS. Yes, we will. The gentleman from Iowa [Mr. JENSEN] and I and the other Members of the Committee are all here, and we will be prepared to answer any questions that may be asked.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Veterans Administration for the fiscal year ending June 30, 1962, namely:

INDEPENDENT OFFICES

Veterans' Administration

Readjustment Benefits

For an additional amount for "Readjustment benefits," \$55,000,000, to remain available until expended.

Loan Guaranty Revolving Fund

An additional amount of not to exceed \$115,247,000 shall be available in the "Loan guaranty revolving fund" for expenses for property acquisitions and other loan guaranty and insurance operations under chapter 37, title 38, United States Code, except administrative expenses, as authorized by section 1824 of such title: *Provided*, That in addition to amounts heretofore made available, not to exceed \$115,247,000 of the "Direct loans to veterans and reserves revolving fund" shall be available, during the current fiscal year, for transfer to said "Loan guaranty revolving fund" in such amounts as may be necessary to provide for the foregoing expenses.

Mr. THOMAS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, may I say to my colleagues that this is really a deficiency for about 13,000 Korean veterans. That is the nub of it.

Mr. Speaker, we have two items in here, one for \$55 million to finish out the balance of fiscal year 1962 for these 13,000 Korean GI's on which to go to school. The Veterans' Administration just simply made a bad guess—13,000 more of them took advantage of the GI educational bill than they anticipated. That item is in the amount of \$55 million.

Mr. Speaker, the other item goes to what I call taking care of the foreclosed GI home mortgages. The present estimate is that there will be 17,000 of them this year. The liability of the U.S. Government, as you well know, is in the amount of \$7,500 each. There are a half dozen reasons why these foreclosures are picking up. They have been picking up for the last 18 months, more accurately, for the last 2 years. They think they have reached the top on the foreclosures. There are some half dozen causes that we can ascribe for this, but the main one is pure economics. These young veterans are living and working, say, in a big factory which has a contract of some type with the Government or some other occupation. The work shuts down, and they are just not able to make their monthly payments. They have been turning back the houses. The Government has to repossess them. In round figures, they are losing about \$1,000 per house. Last year you will recall that we set up a revolving fund of \$120 million to take care of this. What we are doing here is

adding to that revolving fund about \$115 million. However, we are not making a direct appropriation of that money, and I want to call your attention to that fact. We are merely saying to the Veterans' Administration to go to the Treasury and use what we normally call their back-door spending, of which they have the advantage. They can use that instead of a direct appropriation. Therefore we are not making a direct appropriation for that sum of \$115 million.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I shall be glad to yield to the gentleman from Ohio, a member of our committee [Mr. BOW].

Mr. BOW. Would the gentleman advise the House with reference to the estimates that were made by the Veterans' Administration as to how many loans would be in default and how far off they have been in their request based upon the estimates of last year?

Mr. THOMAS. Well, as the gentleman knows, they missed it pretty bad. They are off about 7,000. In other words, 7,000 have been picked up this year over last year.

Mr. BOW. In other words, they were off in their estimate?

Mr. THOMAS. That is right.

Mr. BOW. There have been about 3,000 more up for foreclosure this year than they had anticipated last year?

Mr. THOMAS. That is right; the gentleman's figures are correct.

Mr. BOW. And, it is now, as I understand it, 18,000 at this point?

Mr. THOMAS. Right at 18,000.

Mr. Speaker, our very able genial colleague, the chairman of the Committee on Veterans' Affairs of the House the gentleman from Texas [Mr. TEAGUE] has expressed a great deal of interest in this matter, and he wants to know in no uncertain terms—and, certainly, we are delighted to give him that information now—whether or not this is going to effect a slowdown or retard the direct loan program to the veterans. The answer is categorically "No." If they need funds, then they can come in here and recommend to the House that we supply those funds.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Let me see if I can get this straight. Do I understand these defaults increased by some 7,500, or 7,000, in a matter of the last 5 or 6 months?

Mr. THOMAS. Not 5 or 6 months; in the last 8 or 10 or 12 months.

Mr. GROSS. During this period when we were supposed to have cured unemployment and were wallowing in so much prosperity these defalcations have increased; is that correct?

Mr. THOMAS. I would ask the gentleman not to put words in my mouth.

Mr. GROSS. No; I am just asking the question.

Mr. THOMAS. The fact remains they have increased.

Mr. GROSS. Now, I do not expect to get an answer exactly to this question—

Mr. THOMAS. I shall be glad to answer any question the distinguished gentleman cares to ask, if I can.

Mr. GROSS. The gentleman has said that the Government is losing only \$1,000 per case.

Mr. THOMAS. I did not say "only"; I said about \$1,000.

Mr. GROSS. Would the gentleman say that that is the average loss?

Mr. THOMAS. Yes.

The SPEAKER. The time of the gentleman from Texas [Mr. THOMAS] has expired.

Mr. GROSS. Mr. Speaker, I ask unanimous consent the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, if the Government is losing only \$1,000, what was the original cost of one of these properties? This does not seem realistic to me.

Mr. THOMAS. The Government's outside liability on one of these GI mortgages is \$7,500.

Mr. GROSS. We are seeing a tremendous increase in the rate of defalcations of businesses throughout the entire country, which means that there is something pretty soft in the economy of this country. I am talking about business defalcations now.

Mr. THOMAS. I would like to answer the gentleman's questions, but the gentleman is making a speech now. What the gentleman has said is not true as far as these veterans is concerned, as he can see, if he will look at the record.

Mr. GROSS. I am talking about the general economy, the general business situation in this country. Yet we go on here day after day, as we did yesterday, voting for an outlay of \$1.2 billion for educational purposes, with the economy going soft on us. And I do not like it.

Mr. THOMAS. These foreclosures are occurring in about a dozen spots in the country, I will say to the gentleman.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Indiana.

Mr. ADAIR. The gentleman a few moments ago referred in the application of this resolution to so-called back-door spending. Will the gentleman enlarge upon that statement a little?

Mr. THOMAS. The Veterans' Administration has authority to go to the Treasury during the fiscal year 1962 and procure \$500 million, without its being voted by the Congress. That is what makes it back-door spending. This is for direct loans. What is involved here is not a direct loan. This is a guaranteed loan. We have no disposition in the committee to interfere with anything. We are not trying to slow down any program. We think this is a sound way to handle the matter under the circumstances. My distinguished friend from Indiana is one of the able members of the Committee on Veterans' Affairs; and I shall not limit it to that, he is one of the able Members of the House. I think I can speak for the committee and tell you that the program will not be hurt.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I am really startled by this report. I had not realized that there was this difficulty in foreclosures on these veterans' loans. I notice on page 12 of the hearings the testimony shows that these are located in Detroit, Chicago, Wichita, Los Angeles, Philadelphia, Houston, San Antonio, Lubbock, St. Petersburg, San Francisco, Newark, Dallas, Montgomery, Milwaukee, New Orleans, and Seattle.

Can the gentleman tell me how many foreclosures have actually occurred—how many in number?

Mr. THOMAS. There were 13,881 properties on hand now and by the end of the fiscal year it is expected to be between 17,000 and 18,000.

Mr. CURTIS of Missouri. I have not had a chance to go through the hearings. Do the hearings reveal what lies behind this?

Mr. THOMAS. We spent much time on that, yes, sir. I tried to summarize that a little while ago. I will say to my distinguished friend, it boils itself down to five or six or, perhaps, seven causes. When you get through with it, my judgment is that 95 percent of the foreclosures are for purely economic reasons. Some of them are for social reasons such as divorces, and so on. Some of it is caused by a change in jobs. But, I still think that the main cause is economics—mainly, the loss of a job.

Mr. CURTIS of Missouri. I would like to say this to the gentleman, I hope that the Committee on Veterans' Affairs, particularly their Subcommittee on Housing, will get into this thing because I think these figures are quite startling. I heard one of the gentlemen who was interrogating the gentleman from Texas say that this is an indication that, perhaps, our economy is not quite as solid as some of us have thought. Frankly, I am one who does feel that our economy basically is in pretty good shape, and these are startling figures.

Mr. THOMAS. The figures on the national productive record are going up every year, if that is an indication. But, may I say to my good friend, we are getting into a field that is somewhat removed from the little item that we are considering here now.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. THOMAS. I thank my distinguished friend.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. BONNER. May I ask what is the percentage of foreclosures in relation to the total value of loans in existence? That, I believe, is the point involved here.

Mr. THOMAS. It is very, very small. You have a total of about 5,500,000 loans and while 17,000 foreclosures this year are too many, still on an overall basis it is, of course, very, very small.

Mr. BONNER. I would think that clears up the situation. If we were considering the legitimate business market,

centrate and various canning processes and today about 65 percent of our orange crop is packed as frozen concentrate. Add to this 15 percent of the production which is packed as canned or chilled juice and we have a total of 80 percent of the entire crop reaching consumers in cans or other containers. Additionally, about 50 percent of our grapefruit production is concentrated or canned. At this point I should like to commend in highest terms our Florida citrus processors, most of whom are members of this fine organization, for the admirable way they have reacted since our recent cold weather in handling a much larger volume of fruit in their plants than would normally be the case. This cooperation will doubtless save the growers from probable losses if they had been forced to sell the damaged fruit in the fresh fruit trade and will save the industry as a whole from the harmful effects of glutting the fresh fruit market.

A very large portion of the total catch of certain fish reaches the consumer in cans. Tuna, sardines, and salmon lead this field percentage-wise. The processed packs of shrimp, lobsters and oysters are important in certain localities. Meat, poultry and milk add considerably to your total pack.

I have refrained from quoting the long and tedious figures on the commodities just mentioned. Suffice it to say, they clearly point up the fact that your industries are an essential bridge between the grower and consumer that makes possible low-cost, efficient production and distribution of the high quality foods which the modern consumer demands.

By converting the abundance of our farms, orchards, ranches and waters into relatively nonperishable form, the canning industry has eliminated the waste that would otherwise result from seasonal or local gluts, and has made these perishable foods available to consumers the year around as well as all over the earth.

The importance of food processing and processed foods—of all types—is nowhere more noteworthy than in the foreign field. Not only the basic commodities, but also fruits, vegetables, meats and poultry in large volume have been utilized throughout the world as instruments of foreign aid and, more significantly, they are the choice of millions of foreign people everywhere.

The farm problem in the United States today stems largely from the fact that our farmers are just too efficient. Almost every year we are obtaining a larger output of food and fiber crops from an ever-diminishing acreage. While we have too much food, many areas of the world have food shortages.

This is a significant point, and one which should be taken note of, especially in Europe. There, thanks to the Marshall Plan and the many and various aid programs which the United States has sponsored, we are witnessing a great economic recovery, and with it an expansion in population that gives promise that Western Europe will indeed be a larger and increasingly more important market for food products. We must do all within our power to keep it our market.

The population of the six Common Market countries alone stood at 166 million people in 1958 and has been projected at 175 million by 1965. Here is an expanding human group, moving forward on the road of economic and social development in six of the most developed countries of Western Europe.

We in the United States—and particularly those of us concerned with the welfare of the food industry—are observing the development of the Common Market and of its tariff and trade policies with interest and no little concern. The President, in the message he has sent to Congress on reciprocal trade, had asked for a broad new au-

thority to reduce tariffs so that the United States may negotiate with the Common Market for mutually advantageous trade benefits. While tentative tariff agreements have been reached between our negotiators and the representatives of the Common Market countries on a number of agricultural products, our position is not a favorable one in some areas. There is much yet to be accomplished if we are to retain a goodly share of this market. Two important advantages we go into the game with are, of course, quality and abundance.

We must not lose sight of the fact that Western Europe needs our trade as much as we need theirs. The Europeans are not now able to produce all of their food requirements, certainly not in sufficient quality and variety or as efficiently as you and our American farmers. The Common Market therefore presents an interesting opportunity to you—and others in the food industry—to acquire new and expanding markets for your products. The growing population, with its steadily rising economic prosperity and social development, indicates a need for food of all types.

It is gratifying to observe the cooperative efforts of you food processors, your equipment suppliers, farmers, agricultural scientists, livestock handlers and fishermen in producing and bringing to the consumer the most wholesome and attractive processed foods that are to be found anywhere in the world.

I commend you warmly upon your independence and your initiative which has brought your industry to the high position which it holds in our industrial complex. Success such as you have attained is an example of democracy at work and is not possible under a controlled economy as we have witnessed in the failure of Soviet Russia's agricultural industries to come anywhere near meeting the production quotas established for them. Despite all of their management and compulsory farm programs the Russian food supply is far short of its needs and their production averages are only about half of what ours are per acre.

The entire process of supplying adequate food for our people is not simple—it is not easy. But there is great satisfaction to be gained from the knowledge that in our democracy there is a majority which clings tenaciously, as you do, to voluntary teamwork as the best way to attain your goals. It is comforting to know that we can plant what we want—process what we want—market what we want—instead of being told what we must do in each instance and punished if we do not comply.

In the past few years we have met the challenge of those who would regiment our economy through labor controls and through production controls. We have been successful in restraining these efforts by maintaining basic fundamentals. To date we have managed to protect the right of American labor to go and come of its own free will in agricultural employment and we have kept for farmers their right to exercise individual judgment in making up planting and production schedules each year.

There are times when some growers and processors look toward Washington for guarantees of a safe return for their production. Happily a sizable majority prefer to remain free and clear of the encumbrances that go with such guarantees.

Your own success is as clear an indication as we could have of the fact that free enterprise, individual initiative and brisk competition are not passé. I shall hope that you will resist with all your strength, both as individuals and organizations, the well intentioned, but to my way of thinking, misguided efforts to change the order so as to install the ever-heavier hand of the Federal Government at the helm of your businesses.

HIGHWAY BRIDGE BETWEEN LUBEC, MAINE, AND CAMPOBELLO ISLAND, NEW BRUNSWICK, CANADA

Mr. HUMPHREY. Madam President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1133, S. 512.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 512) to extend the time for completion of the free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Madam President, I see the senior Senator from Maine [Mrs. SMITH] is in the Chamber. She has been much interested in this particular measure. It was acted upon by the Senate Committee on Foreign Relations and reported unanimously. It would amend Public Law 85-563, extending the time for the completion of a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada.

Mrs. SMITH of Maine. Madam President, I introduced S. 512 at the request of the Maine State Highway Commission.

S. 512 amends Public Law 85-563, approved July 28, 1958, which in turn revived and reenacted Public Law 687, of the 84th Congress, approved July 11, 1956. The latter law authorized the State Highway Commission of the State of Maine "to construct, maintain, and operate a free highway bridge and approaches thereto, at a point suitable to the interests of navigation, across the waters between Lubec, Maine, and Campobello Island, New Brunswick, Canada, so far as the United States has jurisdiction over such waters, subject to the approval of the proper authorities of the Government of Canada."

In reviving and reenacting it by Public Law 85-563 in 1958, the Congress set the dates for commencement and completion of the bridge at December 31, 1960, and December 31, 1961, respectively. The bridge is now under construction but the December 31, 1961, completion date has not been met. S. 512 will substitute December 31, 1962, as the completion date.

The Committee on Foreign Relations has approved this bill, and I ask that the Senate pass it at this time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 512) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to revive and reenact the Act authorizing the

State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada", approved July 28, 1958 (72 Stat. 424), is amended by striking out "1961" and inserting in lieu thereof "1962".

PRESIDENT'S MESSAGE ON AGRICULTURAL POLICY

Mr. HUMPHREY. Madam President, I have one more item to present. I do not believe there will be too much further discussion today.

I wish to comment briefly on the President's message on agricultural policy which was sent to the respective Houses of the Congress. This is the first total and comprehensive revision of farm legislation since the 1930's. It represents some progressive thinking and proposals in the field of agricultural conservation policies.

The program presents modern legislative standards for modern American agriculture, an agriculture which has geared itself to the science and technology of the day.

Actually, President Kennedy's farm message is more than a farm program. It relates to the more constructive use and conservation of human and physical resources in rural America. It is designed to gear American agriculture both to the domestic and to the international requirements.

Specifically, this program is designed to eliminate waste of land, to eliminate waste of human resources, to eliminate waste of food and fiber resources. It is designed to reduce agricultural surpluses; yes, to reduce the cost of an agricultural program. It is designed to conserve land, to increase agricultural income, to provide new recreational opportunities for a growing population, and to provide new job opportunities for part-time farmers.

It is also designed to improve the diet of our own people and to expand our food-for-peace program on the international front.

This is a far-reaching program which has been worked out carefully by a number of advisory committees to the Department of Agriculture, which committees have represented every aspect of our agricultural economy. Every commodity group has been heard from. The leading spokesmen of American agriculture from every region of our country have been consulted.

This program has within it, I believe, the basic standards and basic principles which are required for a more effective agricultural policy.

Madam President, last week in the city of St. Paul, Minn., the Governor of New York, Mr. Rockefeller, spoke at a Republican fundraising dinner in the St. Paul Auditorium, and he spoke on agriculture, at least eloquently, if not knowingly. He had some rather cryptic and caustic comments to make about the Secretary of Agriculture and the agricultural program.

When a political leader speaks at a political rally, especially at one where the dinner tickets cost \$100 apiece, he is expected to deliver a political speech; and

that is exactly what Mr. Rockefeller did. To hear him tell it, the Secretary of Agriculture, Mr. Freeman, a three-term Governor of the State of Minnesota, should be characterized as one of those ogres who thrive on the American farmer.

Because of the distorted, and I believe completely inaccurate, picture Governor Rockefeller painted both of the Secretary and of his policies, I should like to set the record straight.

First of all, the Governor of New York must believe that he has political extrasensory perception if he can manage to attack a program even before it is presented to Congress. I invite the attention of Senators to the fact that the Governor's attack was launched, or at least reported, on January 25, and it was only today, on the 31st day of January, that those of us who are here in the Congress and who have been rather close to the present administration and to the Secretary of Agriculture were permitted to see the agriculture program that apparently this extrasensory perception of the Governor of New York was able to detect.

The Governor referred to the tightly policed policies of Secretary Freeman. I can assure the Senate that there are no Department of Agriculture helicopters nor are there any so-called FBI agents hovering over our farmlands. Governor Rockefeller may have his doubts, but Secretary of Agriculture Freeman subscribes to the school of thought that most American people are basically honest and trustworthy and desire to live in freedom, and that throughout the history of the United States the farmer has been a shining example of this principle.

Governor Rockefeller said:

The productive genius of the American farmer can only be exercised in freedom within a system based on incentive, not on coercion. We see today the beginnings of a far more tightly controlled agriculture with dangerous long-term implications for the freedom and prosperity of our farmers.

First of all, let us discuss the productive genius of the American farmer. The American farmer has created a miracle of production. No other major segment of our economy has made as rapid strides toward efficiency and productivity as has agriculture. I have said a number of times in the Senate that agriculture is America's greatest success story. During the 1950's the output per man-hour in agriculture increased more than three times as fast as nonagriculture production.

This is an outstanding accomplishment. Some people maintain that the constantly increasing level of productivity and efficiency will bring the farmer an income adequate to compensate him for his labor, managerial skill, and to repay the investment in land and equipment and such items as fertilizer. But the experience of the past decade has shown that this belief is unfair to the farmer. Time has shown that the result of increasing efficiency in agriculture is that the benefits of scientific and technological advance have passed through the farmer to the general public, or, in

some instances, to those who process farm commodities.

All individuals who perform services and produce goods that are essential to our society have a right to expect the opportunity to gain a proper reward for their efforts, a reward that is commensurate with that earned by others exerting a comparable effort, and certainly nothing is more essential than the products of our farms. Farmers, like those engaged in other forms of enterprise, have a right to expect this equality of opportunity, and if that opportunity does not exist—and the facts and figures show that it does not exist today—it is the legitimate function of the Government to insure the conditions under which it will prevail.

One of the basic features of our free enterprise economy has been the concept of a fair reward for hard work, for application to duty, for efficiency, and for progress. This feature of a fair reward for hard work, for efficiency, for progress, and for application to the job has been notably absent in regard to agriculture.

Governor Rockefeller talked of tight controls. For his edification I should like to explain the use of a producer marketing order program, which is exactly the type of program that is being advanced by the President of the United States and his Secretary of Agriculture.

The producer marketing order programs can be used by producers of many commodities to bring about a more realistic balance between supply and demand where a serious imbalance exists. These programs are producer designed, producer administered, producer financed, and producer voted upon. This is really the exercise of a farmer-designed program—voted upon, acted upon and administered by farmers themselves. Neither the Secretary nor the Department of Agriculture can establish a marketing order program, nor can the Secretary or the Department run one. If producers of a commodity want a marketing order program, under existing law and under proposed legislation, the Department will provide technical assistance and advice. The Department will, at the request of the producers and the industry, hold hearings and conduct referendums. If the producers should propose a marketing order which receives the support of two-thirds of all producers of a particular commodity, then they will have a marketing order.

Years ago Congress established that principle of law, which was supported by Democrats and Republicans alike. In fact, the State of New York has one of the most extensive marketing order programs in the field of dairy production. If the producers of a commodity vote for a marketing order, then they face the real job ahead of making it work. If they do not want one, by their votes there will be no marketing order, and no Department official and no bureaucracy will force it upon them.

The job of the Department at this stage is to insure that the marketing order program is not used to exploit the consumer. That is required in existing law.

Governor Rockefeller also was very highly critical of the emergency feed grain program, which was voted by Congress last year and remains in effect for the 1962 crop. I discussed this subject once before on the floor of the Senate.

The Governor's comments on the feed grain program may have brought a chuckle and a cheer on Wall Street and Fifth Avenue, but they surely did not have the same favorable response out on the marketing roads of rural America or on the main streets of rural towns in rural America, because the feed grain program has worked. It has produced more income for farmers. It has reduced surpluses in the Commodity Credit Corporation holdings. It has cut down the cost of managing those surpluses. It has demonstrated that farmers, when given a fair program, will cooperate. In fact, the percentage of producer cooperation under the emergency feed grain program is the greatest percentage of cooperation and of support for a farm program in the history of this country.

Net farm income in 1961, the calendar year just gone by, is estimated to be over \$1 billion higher than in 1960, a rise of 9 percent. A large part of that change can be attributed to the feed grain program, the higher prices of major farm commodities, and to increased cash marketings.

Retail food prices paid by the consumers for meat, poultry, and dairy products, all of which are related to feed grains, inasmuch as feed grains fatten the cattle and fatten the poultry and make possible dairy products, have shown great stability during the period of the program. In other words, the consumers' prices in the retail establishments did not go up, but the producers' prices, the farmers' prices did go up, thus giving greater incentive for cooperation.

Without the feed grain program, the Federal Government would have been required to support feed grains for all producers regardless of the volume of production. Under such conditions, it is apparent that production would have surpassed total consumption by over 600 million bushels, all of which would have passed into Government hands. The program, designed for the 1961 production year and operating under unusually favorable weather conditions, will reduce Government stocks by some 100 million bushels, rather than increasing stocks.

The taxpayer will benefit by millions of dollars in immediate reductions in storage, transportation, handling, and interest charges on grain which is now moving into the market. Government expenditures over the next 9 years approximately will be nearly \$600 million less because of the lower level of feed grain carryover.

Madam President, perhaps Governor Rockefeller would like a complete elimination of all farm programs in order that farm prices could seek their own level in the market price. At least that is the burden, that is the tone, that is the impression of the farm message which he delivered in the State of Minnesota. It is difficult for me to understand, however, how anyone can advocate a course like this, a course which will cause economic disruption and a

great deal of economic suffering and hardship.

Mr. YARBOROUGH. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YARBOROUGH. I should like to ask the distinguished Senator from Minnesota if it is not a fact that net farm income had increased in 1961 by more than \$1 billion over the preceding year.

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. YARBOROUGH. It was the highest net income in 8 years. Is that correct?

Mr. HUMPHREY. That is correct. I must say that we had 8 sorry, sad years of decline in agricultural income, starting in 1953. I remember standing on the floor of the Senate at that time criticizing the then Secretary of Agriculture because I thought he was wrong. He was wrong. We started out in 1953 with a net farm income of approximately \$15 billion. We ended up every year with less income. By 1960 farm income was down to just slightly over \$11 billion.

Nevertheless, the population of America had gone up by millions of people. More food was being produced and more food was being distributed, and more was being consumed. Yet the net farm income was down. It appears to me that the record of economic fallacy of the 8 years of Bensonism under the Republican administration is now a black chapter in the economic history of this country. We are trying to reverse that course. The new administration came into office in 1961, with a new Secretary of Agriculture. The best that could be done was to pass some emergency legislation, to stop the downward trend of farm prices, to stop the downward trend of farm income, to stop the liquidation of farm families and their properties. That was done with the cooperation of Congress, under the leadership of President Kennedy and Secretary Freeman.

Now the Secretary and the President have designed a new farm program. It looks to me like a sensible, constructive program. We are not in a position to judge every part of that program until it goes through the process of committee hearings. I do not believe the President would want us to merely cheer and say that everything is wonderful. What we want to do is take a good look at it. I do know this, Madam President, and that is that this is the first comprehensive revision of farm legislation that Congress has undertaken for over 20 years. I know that American agriculture requires modern legislation. Instead of trying to put a strip of adhesive tape on the agricultural structure, which has been whittled at and chipped at and pounded at, and occasionally bruised and broken over 8 years of Republican administration, it seems to me that it is a great deal better to design a new policy, a new program, and look at it in a much more comprehensive manner.

Mr. YARBOROUGH. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YARBOROUGH. Madam President, while the distinguished Senator from Minnesota has been very generous

with giving our able President and our able Secretary of Agriculture credit for the increase in the net income of more than a billion dollars in 1961 over 1960 and the year before and the year before that, I wish to commend the Senator from Minnesota for his able advocacy during the 8 long years of Bensonism, particularly for his able advocacy on the floor of the Senate of sound agricultural legislation that paved the way for and laid the groundwork for the type of action that was taken administratively and legislatively in 1961, and which enabled the net farm income to increase, and that enabled farmers to end 1961 with a billion dollars of more farm income than the farmers had enjoyed in 1960 or the year before or the year before. I commend the Senator from Minnesota for his fine contribution to sounder agricultural legislation and sounder agricultural policies of this country.

Mr. HUMPHREY. I am extremely grateful to the Senator from Texas for his expression and for his cooperation. There has been no regional interest involved here. We looked at the agricultural economy of this country as a fundamental and basic part of the total national economy and the total strength of the country. My only objective is to see to it that people who invest vast sums of money in land and equipment and who have managerial skill and productive know-how and technical competence, people who are hard-working people—and our farmers are indeed hard-working people—will be properly rewarded for their skill, their work, their management, and their capital investment. That is all. We seek this for other areas of our economy. We are entitled to ask the same with respect to the agricultural area.

Madam President, the Republican spokesman addressed a \$100-plate Republican dinner in Minnesota. Paying \$100 for a dinner is a pretty high price to pay. It is quite a tab, Madam President. One can get a very good dinner for that price without having to listen to a great many speeches. At \$100 a plate, one does not have to go through the ordeal of having to listen to speeches.

I am in favor of political dinners like this. I do not want to be misunderstood. Political parties must raise money, and there is no better way to do it than I know of than through giving political dinners. The Governor of New York is a great political spokesman for his party. I have a high regard for his ability and for his advocacy. I would like to have this good, fine friend understand agriculture a little better; that is all. It seems to me that in a spirit of friendship and understanding and in a bipartisan spirit of working for the good of our country, some of us who have spent years working on agricultural matter should help this great Governor from the State of New York, who finds it rather difficult to understand the problems of midwestern agricultural producers. I wish to be a good friend to him. That is the main reason why I address myself to this subject today.

I should like to add another word of commendation to the Kennedy adminis-

tration for what it is doing. I am sure Governor Rockefeller does not want unlimited production with price supports. That was what was being advocated by the former administration. Price supports were low; they were on the cheap side, so to speak, with unlimited production. I remember one act of that prior administration, which I opposed very vigorously on the floor of the Senate. It was to give price supports to approximately 65 percent of parity on all corn that anyone could produce, with no distinction between farmers who complied with acreage limitations and those that did not.

They said, "Just go to it, boys. Wherever you find any ground, plant corn." And they did. They increased corn production by hundreds of millions of bushels and increased acreage by 18 million. I predicted that would happen. I did not have any crystal ball; neither did I have any prophetic vision as such. But it is not necessary to know very much about agriculture to know what would happen under those circumstances. That was the Republican farm program. The idea was simply to price the farmers out of the market. The point was that the farmers knew, when they were getting only about 65 percent of parity, that the only way they could pay their bills was to produce more and more and more. They had to do just that, and the Government had to buy their production.

That was a foolish program; we have scrapped it. We have tossed it out; we do not want anything to do with it.

I am one who believes that if we have a price support program, ultimately there must be some kind of production control or management program to go along with it. I say that because without some kind of balance between production and consumption or production and the basic needs of our domestic and international economies, the goods will pile up, the free market price will go down, economic chaos will result, and the Government will be saddled and loaded with commodities which will have to be stored, shipped, handled, and transported, and the costs will mount up and up and up. We saw that happen. We saw the cost of the agricultural program go up from under \$2 billion in 1953 to \$8 billion by 1960. With fewer farmers and fewer farms and with a lower farm net income every year, the cost of that program went up and up and up. I will tell Senators why. It was because a philosophy prevailed in Washington, from 1953 to 1961, that we could simply use the process of economic attrition and low prices and squeeze out the producers. That simply will not work; that is all. The taxpayer got squeezed. He had practically all the juice squeezed right out of him.

Madam President, the only logical alternative to such an economic fallacy as I have discussed on the part of the previous administration is to develop policies of managing the abundant potential of our agriculture for domestic and international uses of food and fiber and to develop the most practical and efficient use for land and water resources.

What the Kennedy farm message gives us is not merely a farm program related to farm commodities; it relates those commodities, their production, their distribution, their prices also to the conservation of land, to the use of the land, and to the water resources. Instead of having the land standing idle, with no one to take care of it, some uses are to be made of the land for recreational and grazing purposes.

The Secretary of Agriculture has repeatedly stated that the keystone of the Kennedy administration's managed abundance policy—I prefer to call it a balanced abundance policy—for agriculture is the effort to bring the food abundance of the United States to needy people. There is no amount of food that can be considered surplus so long as people are hungry.

The first Executive order of the Kennedy administration, directed to the Department of Agriculture, was to make food available to the needy of America. Food stamp programs were launched on a pilot basis, and they have been tremendously successful. I stood in my place in the front row of the Senate 3 years ago and fought for the food stamp plan, and was able finally to have it adopted by the Senate. That plan lay at the Department of Agriculture for better than 2 years, unused, untouched, while people went hungry.

When this administration took office on January 20, 1961, almost 6 million people were unemployed in the United States. Some of those families were going without adequate food; they were living on an improper diet. Yet the warehouses of the U.S. Government were overflowing with food. President Kennedy immediately directed that surplus food be made available to the needy. That was his Executive Order No. 1.

Executive Order No. 2 put the food stamp plan into effect, and that plan has worked well. The school lunch program was expanded for our children. The Nation's program of food for peace has been substantially expanded in the short period of time this administration has been in office. It is being expanded even more because of the great needs throughout the world. Efforts are being made to gain tariff concessions for agricultural products in our dealings with the emerging European Economic Community, or Common Market.

Madam President, the Governor of New York would have been in better taste while he was in the State of Minnesota if he had commended one of our leading citizens, the present Secretary of Agriculture, for having waged a brave, courageous, and persistent battle for the interests of American agriculture in the discussions and negotiations with our friends of Western Europe in the Common Market. I ask the Senate: Who was it who stood up, even against people in our own State Department, to fight the battle for the farmer in the European Common Market discussions? Who is it who has gone from country to country, meeting with foreign ministers and heads of government, speaking for American agriculture in the channels of ex-

port commerce and export trade? The Secretary of Agriculture is the man.

I might add that I have done a little of that myself. We now have a Secretary of Agriculture who speaks up for the farmer. The farmers know it, too, and they like him.

Some of the rest of us in the Senate have spoken up for the farmers. The farmers need a few spokesmen. They now have such a spokesman in one of the high places in Government. He is the Secretary of Agriculture. By the way, they have a spokesman in the White House, too. I know of no President who has ever done as much to put the stamp of official approval and endorsement or who has given what might be called the world's greatest commercial to a product as President Kennedy did when he addressed the dairy conference recently and called to the attention of the people of American and of the world the great nutritional values to be found in good dairy products, especially wholesome milk, fresh milk.

Many of us have traveled overseas. When we returned to the United States, one of the first things we wanted was a glass of good, cold, fresh milk. There is nothing better. I think our President surely proved himself again to be a generous friend of the farm producer, of the farm cooperative, when he called upon the Nation to consume more milk to recognize the nutritional value of milk; and to recognize its contribution to the health of the American people.

I was pleased to note that some of our large dairy cooperatives and producers commended, congratulated, and thanked the President and the Secretary of Agriculture for this action. They were most considerate, and their action was very proper.

Madam President, we recognize that in the years immediately ahead the total utilization of our agricultural plant or economy will not equal our capacity or the world's capacity to consume.

Surely we also recognize that if we were to use our plant fully, agricultural economy fully, we would overproduce beyond what could be domestically consumed. So if no action is taken, we can expect the same results in agriculture that we saw during the 8 years which preceded this administration's taking office; namely, falling prices and low farm income. The farmer cannot hope for an adequate income unless we prevent the economic waste and price-depressing effect of producing more than can be used. When I say "producing more than can be used," I mean producing more than can be consumed at home; more can be exported abroad; more than can be used by our own needy people, our schoolchildren, our elderly folks, in what are called welfare programs. This is a part of the use of food commodities.

Also when I speak of what can be used, I include what is needed for our international programs and our food-for-peace program in many countries of the world, because food is an instrument for peace.

Madam President, recently I addressed a food-for-peace conference in

San Francisco. I was pleased to observe the fine quality of those who attended that conference. I have not the slightest idea of their political preferences, because the conference was attended by people from all parts of the Western States. But I know that at the conference they came to one mind and one conclusion, namely, that in fighting the battle for freedom and in waging the struggle against communism, a great deal more is done by using food, rather than by the use of fear; and that by having a few less Birchites and a little more powdered milk, a few less of the so-called Christian anti-Communist crusaders, as they call themselves, and a little more food for peace, there might be a little more peace of mind and a little more peace of spirit in the world and there might be a better chance for world peace. I think most Members of the Senate agree as to that. I believe all of us recognize that if our great resources of food and fiber are properly used, they can make a significant contribution to a better world.

Therefore, Madam President, I conclude by noting that farmers working together, through the democratic processes and through their cooperatives—and the farm cooperative is a vital part of any farm program, if it is to be successful—and with farmers and farm cooperatives and agricultural producers working with their Government to make free, democratic choices, they can manage their own abundant productive capacity and can put the American agricultural economy on the high road to economic prosperity.

Madam President, I am deeply grateful to the President for transmitting to us today his message. I hope it will be read by everyone who is interested in agricultural policy; and I trust that the White House will send by special delivery, airmail, a copy of that message to our good friend, the Governor of New York, and will ask that he study it most carefully.

Although the Governor of New York undoubtedly thought he was representing the Republican Party in Minnesota—and I have here a photograph of the Governor of New York when he was sitting with the Governor of Minnesota, and I notice that at that time they were eating good American agricultural products—I wish to say that those who wish to help the Republican Governor of Minnesota had better not be so critical of a fair farm program, because out our way there are a great many fine, intelligent farm folks and also a great many fine, intelligent city people. There are about two city people for every person who lives on a farm; but all of them understand the interdependence between a healthy, prosperous farm economy and a healthy, prosperous urban economy. We have learned that lesson in depression and in recession; we have learned a great deal. We have learned that we cannot have a prosperous Nation if one part of America is in trouble. That is why we need a balanced farm program.

Madam President, I call this Kennedy farm program the A B C of agriculture—abundance, balance, and conservation.

This is the A-B-C program for American agriculture; and I, for one, am pleased and proud that America's agricultural abundance is being used properly and constructively; I am pleased that we have before us a program which attempts to bring about a reasonable balance between supply and demand; and I am very much pleased that the President has laid before us a program designed to conserve the water resources, the land resources, the human resources, and the capital resources. This program makes good sense.

Madam President, I ask unanimous consent that a copy of a statement and release, which I issued last evening, concerning the meeting in St. Paul which was addressed by the Governor of New York, be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

ROCKEFELLER'S MINNESOTA ATTACK ON KENNEDY FARM PROGRAM "SOUR GRAPES"

"Governor Rockefeller's attack last week in St. Paul on Secretary of Agriculture Freeman and the Kennedy farm program may draw loud cheers on Wall Street, but on Main Street in rural America, and in American farm family homes, it sounds like nothing but sour grapes," Senator HUBERT H. HUMPHREY, Democrat of Minnesota, commented last night.

In a statement issued the day before the anticipated receipt in Congress of the President's farm message, Senator HUMPHREY noted that the Governor of New York "must believe he has political extrasensory perception if he can manage to attack a program even before it is presented to the Congress."

The Senate majority whip challenged Rockefeller to "compare the sorry record of 8 years of Bensonism with the solid accomplishments of only 1 year of a new administration," which he said had managed to:

1. Increase farm income by a billion dollars.
2. Reduce the farm surplus.
3. Decrease the cost of storage.
4. Significantly expand our food-for-peace program.

"Balanced against these achievements, the Republicans can point only to a record of increasing surpluses, increasing costs to the taxpayer, and plummeting farm income.

"Wall Streeters may be convinced by these Republican crocodile tears about the farmer, but rural Americans are not buying it," Senator HUMPHREY declared.

BONDS FOR PEACE

Mr. HUMPHREY. Madam President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Bonds for Peace," which was published today in the New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BONDS FOR PEACE

With the favorable developments in the Congo providing powerful support for his request, President Kennedy yesterday asked Congress to authorize the purchase of \$100 million worth of U.N. bonds in order to rescue the world organization from bankruptcy.

With all its imperfections and occasional lapses, the United Nations has served the interests of peace and freedom that are also the interests of the United States. To abandon it now, to refuse the purchase of the bonds, would, as President Kennedy points

out, either wither the executive arm of the United Nations or load the United States with even greater burdens.

It is, of course, true that the organization's financial crisis arises from the refusal of some nations to pay their special assessments. But the bond issue is the best and perhaps the only way to remedy this situation, because the bonds are to be repaid from the U.N.'s general budget.

When the United States spends around \$50 billion a year to defend itself and the free world, it would be gross folly to weaken the U.N. for the sake of \$100 million and forego its moral and material support for policies we espouse. Only Communist imperialism could profit from that.

TEXAS LOSES JESSE ANDREWS OF HOUSTON, LEADER FOR PROGRESS IN GOVERNMENT AND IN LIFE

Mr. YARBOROUGH. Madame President, Mr. Jesse Andrews, of Houston, Tex., a leading figure for good in law, business, civic service, and the interests of good government, has passed from among us. He will be greatly missed. His life benefited the economy, the culture, and the progress of his region.

Mr. Andrews lived to the age of 87. His achievements are demonstrable proof that he was one of those exceptional Americans endowed with a rare combination of abilities to plan, to act, and to lead. He was generous, progressive, and magnanimous in words, acts, and deeds. He was a liberal loyal Democrat.

He was my friend. I trusted and valued his counsel, support, and aid, for he was at once a wise man, an understanding man, and, above all, a great man.

I ask unanimous consent to have printed in the body of the RECORD the following newspaper articles and editorials and a resolution by the Houston Democratic Women's Club:

One from the Houston Press, of December 29, 1961, entitled "Jesse Andrews Dies; Lawyer, Financier, and Civic Leader."

One from the Houston Chronicle, December 29, 1961, entitled "Jesse Andrews, Lawyer, Civic Leader, Dies."

One from the Houston Post, December 30, 1961, entitled "Jesse Andrews, 87, Dies—Funeral Will Be Monday."

One from the Houston Press, December 30, 1961, entitled "Jesse Andrews."

One from the Houston Post, December 30, 1961, entitled "Houston Indebted to Jesse Andrews."

One from the Houston Chronicle, December 30, 1961, entitled "Last Rites Set Monday for Jesse Andrews."

One from the Houston Chronicle, December 31, 1961, entitled "Jesse Andrews."

And a resolution adopted by the Houston Democratic Women's Club.

There being no objection, the articles, editorials, and resolution were ordered to be printed in the RECORD, as follows:

[From the Houston Press, Dec. 29, 1961]
JESSE ANDREWS DIES; LAWYER, FINANCIER, AND CIVIC LEADER

Jesse Andrews, one of Texas and Houston's leading figures in law, politics, and finance,

died at 8:55 a.m. today in Hermann Hospital, following a lengthy illness.

Services will be at 4 p.m. on Monday at Christ Church Cathedral.

Bishop John E. Hines, Dean J. Milton Richardson and the Rev. Thomas W. Sumners will officiate.

Burial will be in Glenwood Cemetery.

Pallbearers include William A. Kirkland, A. G. McNeese Jr., Malcolm Lovett, John McCullough, Lester Settegast, and Woodley Sherwood.

Mr. Andrews had been in failing health since his 87th birthday last April 9.

He had been hospitalized several times in the last 6 months with kidney and heart ailments.

The tax depletion allowance now enjoyed by the oil industry resulted largely from Mr. Andrews' efforts to first include a similar depletion allowance for the lumber industry in the first income tax law.

Former President Truman referred to Mr. Andrews as "a friend and one of Texas' most noteworthy Democrats."

LONG CIVIC SERVICE

For many years Mr. Andrews had served first as chairman of the influential city planning commission and later as head of the post-World War II planning committee which laid out plans for extensive street, sewer and drainage improvements.

He resigned from the planning commission in 1956 after serving 16 years during which time Houston exploded from a city of 73 square miles and 385,000 population into a metropolis encompassing 165 square miles and 750,000 persons.

PROMINENT IN THREE FIELDS

Mr. Andrews was a prominent figure in three lines of endeavor—and extremely successful in each. These were:

1. Law, where he had been associated for 62 years with Baker, Botts, Andrews & Shepherd.

2. Politics, where it is acknowledged he played a key role in "saving" Texas for the late Franklin Delano Roosevelt in 1944.

3. Finance, where he steered Kansas City's Long-Bell Lumber Co. through a depression era bankruptcy reorganization into a 1956 merger with the International Paper Co.

However, due to the poor state of Mr. Andrews' health in the past months, he had been forced to curtail most of his activities.

CITIZEN OF TWO CITIES

For 18 years, Mr. Andrews was a citizen of two cities—and a driving force in both.

In 1918, he was asked to take a "short trip" to Kansas City for a "week's work" with a client of the then Baker, Botts, Baker & Lovett law firm—the Long-Bell Lumber Co.

The "week's work" ended in 1936 when Mr. Andrews returned to Houston.

During the intervening years, Mr. Andrews steered Long-Bell's \$67 million investment through a depression era bankruptcy and reorganization.

BORN IN LOUISIANA

Jesse Andrews was born in Waterproof, La., April 9, 1874, to Mark and Helen McFarren Andrews. His father was a Confederate Army surgeon.

He attended Jefferson College in Washington, Miss., for 2 years (1887-89), was graduated from the University of Texas in 1895 and was admitted to the Texas bar in 1896.

Few of Mr. Andrews' closest friends knew he was a member of the University of Texas' first football team.

As a junior in 1893, Mr. Andrews played guard on that first Longhorn 11 which was undefeated in four contests.

After graduating from the University of Texas, Mr. Andrews said he "looked around" for a city "to grow with."

Said the scholarly, soft-spoken lawyer:

"I knew enough about Houston to realize that Buffalo Bayou would some day be an arm of the sea."

In 1900, he married the former Celeste Bujac, whom he met when both were members of the Christ Church choir.

Their son, Mark Edwin Andrews, was awarded the Legion of Merit as a Navy captain and served on the Navy Procurement Policy Board before being appointed Assistant Secretary of the Navy under James Forrestal.

A LIBERAL DEMOCRAT

An avowed liberal Democrat, Mr. Andrews was a member of the Kansas City University Club, Houston Club, Kansas City Country Club, Tejas Club, Kansas City River Club, Houston Country Club and Sigma Alpha Epsilon fraternity.

He was chairman of the board of the Long-Bell Lumber Co.; vice chairman of the Bank of the Southwest executive committee; a director of the South Texas Cotton Oil Co.; a director of the American General Life Insurance Co., and a trustee of the Robert A. Welch Foundation.

Mr. Andrews was a member of the American, Texas and Missouri bar associations, the Houston Committee on Foreign Relations and the Philosophical Society of Texas.

A ZONING BACKER

Mr. Andrews was honored by the city of Houston, May 3, 1960, for "unselfish leadership and far-reaching vision" while on the planning commission.

A longtime backer of zoning, Mr. Andrews often declared:

"I definitely hope we will some day get zoning. But it must be tempered to meet the unusual conditions created by our lengthy wait for it."

Mr. Andrews had lived for the last several years at 1517 Kirby Drive.

Arrangements are being made by Settegast-Kopf Co.

[From the Houston Chronicle, Dec. 29, 1962]

JESSE ANDREWS, LAWYER, CIVIC LEADER, DIES—FOR 16 YEARS HE HEADED HOUSTON PLANNING BOARD

Jesse Andrews, 87, who helped guide the growth and shape of Houston, died at 8:55 a.m. Friday in Hermann Hospital.

For 16 years, Andrews, an attorney, was chairman of the city planning commission.

He was senior partner in the law firm of Baker, Botts, Andrews & Shepherd in the Neils Esperson Building.

ILL SINCE APRIL 9

He had been in ill health with a heart and kidney ailment since his last birthday, April 9.

He leaves his wife, Celeste, and a son, Mark Edwin Andrews. His home was at 1715 Kirby Drive.

FUNERAL MONDAY

Funeral services are scheduled at 4 p.m. Monday at Christ Church Cathedral, 1117 Texas, with Bishop John E. Hines, Dean J. Milton Richardson and Rev. Thomas W. Sumners officiating. Burial will be in Glenwood Cemetery.

The body is at Settegast-Kopf Funeral Home, 3320 Kirby.

In two cities, Houston and Kansas City, Andrews achieved distinction; more so here, perhaps, because of his role in mapping this city's future.

In Kansas City he is credited with saving the multimillion dollar Long-Bell Lumber Co. from bankruptcy in a long, bitter court fight.

Later he was named chairman of the board of Long-Bell.

NEW DEAL DEMOCRAT

The Andrews influence was felt in politics; he was a New Deal Democrat.

He is generally credited with playing a key role in the Democrats carrying Texas for Roosevelt in 1944.

He was one of a group of men who pioneered the principle of the depletion allowance on ores and natural deposits in the income tax law enacted in 1913.

In 1926 the Senate and House agreed on a 27½-percent depletion allowance for the oil industry.

The scholarly Andrews—his preferred reading was Shakespeare and Tennyson—was born in a town named Waterproof, La. His father was a Confederate Army physician.

ON FIRST UNIVERSITY OF TEXAS TEAM

He studied law and played guard in 1893 on the first football team at the University of Texas.

He took his first job as a lawyer for \$75 a month with the firm, then named Baker, Botts, Baker & Lovett here in 1899.

A year later he married Celeste Bujac, whom he had met in the choir at Christ Episcopal Cathedral.

During his legal career he spent about 17 years in Kansas City, chiefly as counsel and later boss of the lumber firm he saved.

He returned to Houston in 1935. Andrews resigned from the planning commission in 1956 on his 82d birthday.

During that time he twice participated in vain efforts to adopt a zoning law here.

In May 1960, Houston architects paid him tribute at a dinner in his honor.

Of Andrews, the architects said:

"He always gives more than he receives."

Andrews responded:

"If a genius is one capable of infinite pains, I think all architects are geniuses—and they're delightful hosts."

Perhaps the top tribute to Andrews came from M. E. Walter, then editor of the Chronicle and Andrews' successor as chairman of the planning commission.

Walter noted the commission has never been under fire for a single act that reflected on the integrity of its members.

"And I think this has been due primarily to the leadership exercised by Mr. Andrews and to the high regard in which he is held by the community," said Walter, now editorial consultant and vice president of the Chronicle.

During the Andrews tenure as planning chairman, the city's area increased from 73 to 349 square miles and the metropolitan population grew from about 385,000 to about 1 million.

The commission set up a parks and parkway system, a major street plan, a permanent policy of subdivision development and drew a blueprint for Houston's freeway system.

Andrews, besides his work as chairman of the board and counsel of Long-Bell Lumber, was director and vice chairman of the executive committee of the Bank of the Southwest, a director of the South Texas Cotton Oil Co., and the American General Life Insurance Co., both of Houston, and a trustee of the Robert A. Welch Foundation.

He also was a member of the American, Texas, and Missouri bar associations, the Houston Committee on Foreign Relations, and the Philosophical Society of Texas.

Of Jesse Andrews a colleague said:

"His loss has created a void in the community. He was truly an unselfish man."

Within his immediate family, his loss is perhaps more keenly felt.

"He was an inspiration to us," said his daughter-in-law, Mrs. Lavone Andrews, 8 Shadder Way.

Record and to include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, it is with some concern that I noted the headlines in the papers this morning about the events which took place at the Punta del Este meeting.

It seems as if we are trying to convince ourselves that the defeat we suffered at that meeting is somehow a victory, that our failure to win economic sanctions is not as important as our meager victory in winning support for a resolution to kick Fidel Castro out of the Organization of American States.

This, to me, has about the same significance as barring Fidel from membership in the Daughters of the American Revolution.

I do not mean to downgrade the efforts of the Organization of American States, nor the Daughters of the American Revolution. Both are worthy organizations with high purposes and outstanding records of achievement.

But I do deplore our attitude toward our sister Republics in the Western Hemisphere. I do deplore our "Holier-than-thou" concept of our own importance.

One reason why we may have lost at Punta del Este is because we told the sovereign nations of Latin America, in effect, "Don't do as we do. Do as we say."

We attempted to bury Castro under a barrage of words when all of us know that Fidel has plenty of words and few accomplishments to show for his subjugation of the people of Cuba.

We pressed for complete economic sanctions against Cuba when our own Government has refused to take action to impose complete economic sanctions on its own.

As an example of what I am talking about, let us consider what happened last year in our trade with Cuba.

In 1961, we sold about \$15 million worth of goods to Cuba. On the other hand, we imported some \$32 million in goods from Cuba into the United States.

That leaves a net trade deficit of \$17 million last year alone at a time when we were asking our sister Latin American Republics to take strong economic action against Castro and at a time when Castro was boasting to the world that he had not only pulled the wool over the eyes of the United States, but his own people in Cuba as well.

This \$17 million in Yankee dollars is helping to keep Castro in power and is postponing the day when communism will be rooted out of this hemisphere.

Most of this trade deficit is because of one product, tobacco products for the making of cigars.

Now I am sure that my colleagues here in the House of Representatives enjoy a good cigar after a hearty meal as well as anyone else.

Yet, last year, on September 15, my colleagues and I here in the House decided, in effect, to forego the Havana cigars for the duration. The House passed H.R. 8465 which would have imposed a total ban on trade with Cuba, except for our military installation at Guantanamo Bay, until such time as the President proclaimed in the Federal Reg-

ister that Cuba no longer was under Communist domination.

This bill, I understand, is still languishing in the Senate.

It is interesting to note that the House Committee on Interstate and Foreign Commerce reported this bill to the floor of the House despite the objections of the Department of State.

The reason for this objection? The Department declared in a letter to the committee that the administration already has the power to ban imports and exports between the United States and Cuba, and the Department was then in the process of considering just such a ban on trade.

That letter was dated August 28, 1961. Evidently, 6 months later, the Department still is considering this proposal or else the Department has reached an adverse decision and nothing has been said of it to the House Foreign Affairs Committee or the House Interstate and Foreign Commerce Committee.

For the edification of my colleagues who may not have noticed this letter or may have forgotten its contents in the long months since our passage of H.R. 8465, I am enclosing this letter in my remarks. I think all will find it educational.

It is a typical example of bureaucracy as usual in a time of crisis. It is a typical example of a failure to face reality, of an effort to beat Castro with paper proclamations, to beat the air with wordy prose and to avoid all effective steps to further the interests, the security, the freedom of ourselves and the people of our neighbor nations to the south.

Can you blame our friends in Latin America for giving us less than wholehearted support when there is such a discrepancy between our words and our deeds?

Can you blame them if we pursue business as usual, bureaucracy as usual, with an enemy who has made no secret of his animosity toward us and freedom for his people?

I cannot.

If we want prompt, effective, vigorous action out of the Organization of American States, then our Government is going to have to show prompt, effective, vigorous action on its own.

There is an old saying to the effect that you cannot demand respect, you command it. We have been demanding and not commanding in our dealings with Latin America. Let us set an example with deeds, not words. Let us set an example through progress, not promises.

Following is the text of a letter addressed to the Honorable OREN HARRIS, chairman, Committee on Interstate and Foreign Commerce, in regard to H.R. 8465, passed by the House on September 15, 1961:

DEPARTMENT OF STATE,
Washington, August 28, 1961.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. CHAIRMAN: I refer to your letter of August 3, 1961, transmitting three copies of H.R. 8465, a bill introduced by Representative ROGERS which, if adopted, would

prohibit trade between the United States and Cuba.

You will recall that the U.S. Government in fulfilling its responsibility to ensure a reliable source of sugar took the major step last year of eliminating imports of Cuban sugar which constituted over 70 percent of Cuba's normal exports to the United States. Controls over exports to Cuba were also instituted last year, effective October 20, barring all shipments of U.S. goods to that country except for certain nonsubsidized foodstuffs, medicines, and medical supplies. Thus, in comparison with 1958, the year prior to Castro's assumption of power, when U.S. exports to Cuba totaled \$546.2 million and U.S. imports from Cuba totaled \$527.8 million, the current annual rate of exports and imports is about \$20 million and \$30 million respectively.

Although the volume of trade with Cuba has been reduced drastically, I can assure you that the Department remains deeply concerned that the hostile Castro regime continues to obtain dollar income from sales of Cuban exports in the United States. As you know, existing legislation provides broad authority to accomplish the aim which would be achieved by passage of the legislation proposed by Representative ROGERS. The Department feels, therefore, that H.R. 8465 is unnecessary.

The administration has under consideration measures which, if applied, would result in an embargo on U.S. trade with Cuba. I shall be pleased to communicate to you as soon as possible any further developments with respect to this matter.

The Department has been advised by the Bureau of the Budget that, from the standpoint of the administration's program, there is no objection to the submission of this report.

Please do not hesitate to call on us if we can be of any further assistance.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

DIGEST OF FOOD AND AGRICULTURE ACT OF 1962

(Mr. COOLEY asked and was given permission to extend his remarks at this point in the RECORD and include therein a digest of the Food and Agriculture Act of 1962, which he introduced today.)

Mr. COOLEY. Mr. Speaker, I am tremendously impressed by the President's farm message to the Congress, and by the realistic appraisal of the long-range, basic problems of agriculture. The President demonstrates broad and sympathetic understanding of the problems confronting the Nation's farmers and of the importance of a prosperous agriculture to the health of our total economy and to the well-being of farm and city people alike.

He shows a determination to remedy the basic ills of agriculture, not just the symptoms of those ills as expressed by overproduction and low prices. He has presented suggestions for legislation. He has not told the farmers or the country he wants this bill or nothing. The bill is a broad outline upon which the Congress, after farmers and others have expressed their views, may perfect programs to deal with what is indeed our emergency of abundance in agriculture.

Farmers should take heart from the President's message.

We are assured that we have a President and that we have a Secretary of Agriculture who want to do something for agriculture. And we have a Congress that will do something, if only our farmers—so widely divided in recent years—will unify behind sound and workable programs, drawn by them in their own interests.

I do not regard the administration bill I have introduced as a blueprint, but as a working document through which our farmers, the administration and the Congress may perfect policies and programs to bring agriculture into an equitable partnership in the Nation's economy and prosperity.

We must have very substantial farmer agreement upon any legislation that is enacted. If farmers and their organizations cannot agree, and go their separate ways, then we shall have no legislation of any lasting benefit to agriculture or to the Nation.

DIGEST OF FOOD AND AGRICULTURE ACT OF 1962

I. LAND-USE ADJUSTMENT (TITLE I OF THE BILL)

1. Amends the Soil Conservation and Domestic Allotment Act:

(a) By repealing certain provisions of sections 7 and 8 of the act, the effect of which would be to provide permanent authority for a Federal agricultural conservation program under sections 7 to 17 of that act. Section 8 of the act authorizes a Federal program only until January 1, 1963, after which it is contemplated that the program authorized by sections 7 to 17 would be carried out under State plans approved by the Secretary.

(b) By providing new authority to promote the conservation and economic use of land through long-term agreements with farm operators and owners under which payments would be made for changes in cropping systems and land uses, and for other measures for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. This authority could be used without regard to a number of limitations in the present law relating to distribution of funds to States, increases in small payments to producers, limitations on the size of payments, and prohibition against acquiring any right or interest in land.

2. Amends title III of the Bankhead-Jones Farm Tenant Act to include as a purpose the more economic use of land, including among other specified uses public recreation and fish and wildlife protection; and authorizes the Secretary to acquire any lands, or rights or interests therein, which he deems necessary to carry out the purposes of the title as amended except that land purchases are limited to those which will not have a serious adverse effect on the economy of county or community in which the land is located. The law now authorizes only the acquisition of submarginal land and land not primarily suitable for cultivation. The Secretary is also authorized to dispose of lands acquired under this title, as amended, to any agency or person, except that such authority would not be applicable to lands acquired in exchange for lands acquired prior to the date of this amendment.

3. Amends the Watershed Protection and Flood Prevention Act by providing that when a local organization agrees to operate and maintain any reservoir or other area for public fish and wildlife or recreational development, the Secretary would be authorized to bear the cost of the land, easements, or rights-of-way acquired by the local organization for such reservoir or other area. The Secretary would also be authorized to bear the cost of minimum basic facilities needed

for public health and safety, access to, and use of the reservoir or other area for such purposes. There is also included authority for the Secretary to make advances to local organizations from funds appropriated for construction of works of improvement of the amounts required for the immediate acquisition of land, easements, or rights-of-way necessary for the preservation of sites for works of improvement from encroachment by residential, commercial, industrial, or other development.

II. AGRICULTURAL TRADE DEVELOPMENT (TITLE II OF THE BILL)

1. Amends title II of Public Law 480 (83d Cong.) to permit acquisition of commodities for title II programs from private stocks.

2. Amends title IV of such law to—

(a) Expand purposes for which sales may be made to include market development.

(b) Authorize Secretary to make sales to private trade for market development purposes in underdeveloped countries.

(c) Provide discretionary rather than mandatory authority under which other friendly supplying countries would be permitted to participate in supplying commodities.

(d) Make certain provisions of title I relating to foreign currency sales (use of private trade channels, special consideration to market development) applicable to sales under title IV of Public Law 480.

3. Adds a new title V to Public Law 480 to authorize multilateral food program through intergovernmental organizations:

(a) Authorizes use of surplus agricultural commodities from CCC stocks or from private stocks.

(b) Authorizes CCC to pay procurement costs, processing, packaging, transportation, handling and other charges up to time of delivery f.o.b. point of export.

(c) President required to secure commitment from international organization that reasonable precautions will be taken not to displace sales of U.S. agricultural commodities.

(d) Requires advance appropriations after June 30, 1963.

III. MARKETING ORDERS (TITLE III OF THE BILL)

1. Permits producer allotments or quotas for milk, turkeys, and turkey hatching eggs as follows:

(a) The allotments or quotas for turkeys and turkey hatching eggs would limit or restrict marketings or other disposition by producers on the basis or marketings during a representative period or current supplies available for marketing.

(b) Producer allotments for milk would be based upon marketings during a representative period and would not place a quantitative restriction on marketings or other disposition by producers but would result in a limitation on the price received for milk marketed in excess of such allotments. Where producer allotments are proposed for an existing milk order fixing minimum prices, coordinating pricing amendments must be considered and producer disapproval of the revised order with allotment provisions would not affect the existing order. If milk quotas are established the supply-demand pricing standard of section 8c(18) would not apply but instead the parity standard now applicable to other commodities would be used, and a standard for pricing milk for fluid use is provided. Provision is made that the Secretary shall suspend milk allotment regulation if he finds that consumer interests are not being protected by reason of excessive prices being received by producers or an inadequate supply of fluid milk being available. Where national quotas are made effective for milk under other statutory authority provision is made for coordinating the penalty provisions of such national quota program with a milk marketing order.

(c) When producer allotments are in effect coordinating handler allotments are authorized.

(d) Special procedure is provided for producers seeking review of allotments which permits the use of local committees.

2. Authorizes marketing research and development programs for milk orders heretofore limited to commodities other than milk with provision that producer approval of such programs shall be separately determined and the cost thereof may be assessed against milk producers.

IV. FEED GRAINS (TITLE IV, SUBTITLE A OF BILL)

1. Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses and exports; less estimated imports and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carryover or to meet national emergency or increase in demand.

2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production, in noncommercial area and on increased acreages resulting from the small-farm exemption, produce the national marketing quota.

3. The national acreage allotment (less small reserves to take care of "missed" farms and new farms) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains produced during the base period as adjusted.

(a) Base period for 1963-65 crops is 1959-60; for subsequent crops, the 2 most recent calendar years for which statistics are available.

(b) Adjustments in farm bases authorized for abnormal conditions.

4. Farms with feed grain base (i.e., average acreage during base period) of 25 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he can plant up to his base, but he is not eligible for land-use payments or price support.

5. All producers who have a feed grain base established for their farm would be eligible to vote in referendum except a producer with feed grain base of 25 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.

6. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of the parity price per bushel.

7. Secretary may permit wheat to be planted as a substitute for feed grains and count it against the feed grain allotment.

8. Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains.

(a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land.

(b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.

(c) The Secretary may permit the diverted acres to be grazed.

9. The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from feed grains.

(a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.

(b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 20 acres.

10. Level of price support for feed grains would be between 70 and 90 percent of parity as determined by the Secretary.

(a) If marketing quotas are in effect for feed grains, price support on feed grains would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8.

(b) No price support if marketing quotas are voted down by producers.

11. If marketing quotas are disapproved by producers, CCC authorized to sell up to 10 million tons of feed grains for unrestricted use at market prices.

12. Effective date of feed grain provisions: 1963 crops and thereafter.

V. WHEAT (TITLE V, SUBTITLE B OF THE BILL)

1. Secretary would proclaim a national marketing quota equal to total yearly requirements for wheat for human food, seed, and exports; less estimated imports, and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carryover or to meet national emergency or increase in demand.

2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production in noncommercial area and on increased acreages resulting from the small-farm exemption, produce the national marketing quota.

3. The national acreage allotment (less small reserves to take care of new farms) would be apportioned to the States and counties, on the basis of the average acreage of wheat produced during the last 5 years. The county allotment would be allocated to farms on the basis of past acreage of wheat, tillable acres, etc.

4. Farms with an average acreage of wheat during 1960 and 1961 (or other representative period) of 15 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he may plant up to such base, but he is not eligible for land-use payments or price support.

5. All producers who have a farm acreage allotment would be eligible to vote in referendum except a producer with farm base of 15 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.

6. Production on excess acreage of wheat would be subject to a marketing penalty at the rate of 65 percent of the parity price of wheat per bushel.

7. Secretary may permit feed grains to be planted as a substitute for wheat and count it against the wheat allotment.

8. Producers would be required to devote to conservation uses an acreage on the farm in proportion to the amount by which the national acreage allotment is reduced below 55 million acres.

(a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land.

(b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.

9. The Secretary would be authorized to make payments with respect to the 1963, 1964,

and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from wheat.

(a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.

(b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 15 acres.

(c) The Secretary may permit the diverted acres to be grazed.

10. Each farm would receive a wheat marketing allocation, on which marketing certificates would be issued, equal to the number of bushels obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the wheat crop which will be used during the marketing year for (i) human food in the United States less a portion of the number of bushels reserved for reducing CCC stocks and (ii) that portion of the exports on which the Secretary determines that certificates will be issued.

(a) The marketing certificates would have a value per bushel equal to the difference between the price support on noncertificate wheat and the price support on certificate wheat. Export certificates could have a different value from that of domestic certificates.

(b) Marketing certificates acquired from the producer must be accompanied by an equivalent amount of wheat. Marketing certificates would be required to cover (i) wheat products marketed for human consumption in the United States, and (ii) wheat and wheat products exported.

(c) CCC would be authorized to buy and sell marketing certificates. CCC would be authorized to establish discounts and premiums not exceeding 5 percent of the face value of the certificates in order to encourage the purchase and sale of such certificates through commercial channels.

(d) The Secretary would establish conversion factors to determine the amount of wheat contained in any food product.

(e) Penalties are provided for failure to acquire certificates, and other violations.

11. Level of price support for wheat accompanied by domestic certificates would be between 75 and 90 percent of parity as determined by the Secretary; level of price support for wheat accompanied by export certificates would be no more than 90 percent of parity as determined by the Secretary; and level of price support for noncertificate wheat would be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

(a) If marketing quotas are in effect for wheat, price support on wheat would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8. If excess wheat is stored, producer may receive price support on wheat produced within allotment.

(b) No price support if marketing quotas are voted down by producers.

12. If marketing quotas are disapproved by producers, CCC authorized to sell up to 200 million bushels of wheat for unrestricted use at market prices.

13. Effective date of wheat provisions: 1963 crops and thereafter.

VI. DAIRY (TITLE IV, SUBTITLE C OF BILL)

1. Removes present requirement that butterfat and its products be supported at a separate level and provides that milk be

supported through loans on or purchases of milk and the products thereof.

2. Establishes new criteria for price support and limits the support level to that which the Secretary determines will not result in acquisition of stocks (i) in excess of those which can be utilized in the national interest, including school lunch, domestic levels, and foreign assistance, or (ii) having a total acquisition cost in excess of \$300 million if marketing allotments are not in effect, or in excess of \$300 million plus an amount equal to the surplus marketing fees collected if marketing allotments are in effect.

3. Authorizes the establishment of producer marketing allotments and a referendum thereon if the Secretary determines that the desired level of support cannot be achieved without marketing allotments. Authorizes the Secretary to review his determination of the national marketing allotment and to (1) increase such allotment if there has been substantial increase in factors upon which it was based and (2), subject to producer referendum, to reduce such allotment if there has been a substantial reduction in any of such factors. If more than one-third of producers vote down the allotment in any such referendum, price support will be at level determined to be in effect without marketing allotments.

4. Provides for:

(a) Each producer to have a marketing base equal to his sales during 1961 or such other 12-month period as the Secretary deems more representative.

(b) Allocation of this marketing base among quarterly or other marketing periods of the marketing year, to match his pattern of marketing in 1961, adjusted so as to permit him to carry out his herd management plan.

(c) Adjustments of the marketing base for abnormal conditions, deficient production areas, and other factors.

(d) Transfer of marketing bases.

(e) Authorize Secretary to use funds available for price support of dairy products to purchase and cancel marketing bases voluntarily offered for sale by producers.

5. Authorizes producer marketing allotments. A national marketing allotment is to be established by the Secretary equal to the quantity of milk needed to meet domestic commercial and welfare needs, and export requirements, including foreign assistance. A producer's marketing allotment is that percentage as the national marketing allotment for milk during the marketing period is of the aggregate of all producers' marketing bases for such period. The Secretary may establish minimum allotments if such action would not impair effective operation of programs.

6. Provides for:

(a) A surplus marketing fee on all milk marketed in excess of allotments.

(b) Such fee to be in that amount, not more than \$2.75, as the Secretary determines necessary to yield a fund sufficient to cover any acquisition costs in excess of the smaller of (i) \$300 million or (ii) the acquisition cost of those quantities of dairy products which can be utilized in the national interest, including school lunch, domestic welfare and foreign assistance.

(c) Refunds of any overpayment by the producer of his surplus marketing fee.

7. Establishes a dairy stabilization advisory committee of 21 members, 15 producer-members to be elected from 15 dairy districts and 4 industry members to be appointed by the Secretary from processors, marketers, cooperatives, dairy associations, and farm organizations, and 1 member appointed by the Secretary to represent consumer interests and one from the Department of Agriculture.

8. Provides that the level of support for the 1962 marketing year in effect when this

act becomes effective shall not be changed until producers have voted in a referendum on marketing allotments.

VII. GENERAL (TITLE V OF THE BILL)

1. Amends the Consolidated Farmers Home Administration Act of 1961 as follows:

(a) Adds long term and short term loans to individual farmers for recreational uses of land.

(b) Adds to section 306 of the act loans and planning authority to associations and public bodies, for development and improvement of sewers, primarily serving rural residents, and for changes in land use for conservation measures, including recreational facilities.

(c) Increases amount of insurance fund available under section 309(f)(1) of the act for making loans to be sold and insured from \$10 million made and undisposed of at any one time to \$25 million.

2. Amends section 3 of the Rural Electrification Act of 1936, as amended, to establish a single fund account to be used for all REA loans. This account would include all appropriations and funds borrowed from the Treasury under authorization contained herein, as well as all funds to be collected under outstanding loans. There would also be transferred to the account all notes, mortgages, and other obligations of electrification and telephone borrowers. The amended section would continue the authorization for appropriations and also for the Administrator to borrow funds from the Secretary of the Treasury. The amounts to be loaned in any one fiscal year would continue to be subject to annual provision therefor by the Congress in appropriation acts. The funds in the account will also be available for the payment of principal and interest to the Treasury.

THE PARTITION OF IRELAND

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. FARBSTEIN] is recognized for 15 minutes.

Mr. FARBSTEIN. Mr. Speaker, I firmly believe that every people are entitled to express their feelings in connection with their form of government. Who better than the governed should be permitted to decide who should govern them?

Ireland is a geographic unit. Historically, its national unity—in a thousand years—was never questioned until the decree of separation by the British Government in 1920. At that time, the second decade in the 20th century, an act of the Parliament of Great Britain in London decreed that there should be two political entities in Ireland. One of these, Northern Ireland, was to consist of six counties in the northeast section of the island, constituting one-sixth of the whole. The other 26 counties were, under the act, to constitute Southern Ireland. Both were to have separate legislatures but remain a part of Great Britain.

The vast majority of Irishmen, however, were not in favor of this solution of a long-existing problem. The act was the consequence of rebellion against British rule. Armed conflict and assertions of independence had preceded it. Partition was unnatural, a political division imposed by another country.

The principle of majority rule was violated by the partition of Ireland. Had a plebiscite been taken before Ire-

land was divided, an overwhelming majority would have voted for independence and unity. In Northern Ireland itself there are today Nationalists, who would like to see Ireland united, numbering roughly one-third of the total population of that area. The ratio between the majority and the minority there is vastly different from that in the whole of Ireland at the time of partition. The majority then was estimated at four-fifths. Yet majority rule within Northern Ireland is the argument used to justify perpetuation of the British act.

Although Britain's partitioning of Ireland is said to be based on the pro-British leanings of the 6 counties thus separated from the other 26 of Ireland, the vote in those 6 counties has only been maintained by means of gerrymander. A flagrant manipulation of electoral boundaries has been perpetrated, particularly in the border counties. The strength of the sentiment against partition in the 6 counties of Northern Ireland both before and since division was recognized and feared officially. David Lloyd George, Prime Minister of Great Britain, is quoted as having said in a letter to Sir Edward Carson, dated May 29, 1916:

We must make it clear that at the end of the provisional period Ulster (that is, Northern Ireland) does not, whether she wills it or not, merge with the rest of Ireland.

As long as the partition of Ireland festers in the heart of the Irish Republic there will be bitterness and dissension between that country and Great Britain. The role of the United Nations is primarily that of keeping the peace, particularly among neighbors. If the United Nations is to be more than simply a forum where the aggrieved may voice their distress, it must take action to dispel dissension, to eradicate trouble spots in the world. A plebiscite under its direction should settle the quarrel over the partition of Ireland for all time.

In this connection I am therefore today introducing legislation calling upon the United Nations to hold a plebiscite on the question of the partition of Ireland as follows:

Whereas it is the sense of the House of Representatives of the United States that the maintenance of international peace and security requires settlement of the question of the unification of Ireland; and

Whereas the people of all Ireland, including the people of Eire and the people of Northern Ireland should have a free opportunity to express their will for union; and

Whereas the House of Representatives favors the holding of an election under the auspices of a United Nations Commission for Ireland for the purpose of determining the desires of the people of Eire and of Northern Ireland with respect to the unification of all Ireland: Now, therefore, be it

Resolved, That the House of Representatives hereby requests that the General Assembly designate such a commission pursuant to articles 11 and 35 of the charter which shall establish the terms and conditions of such election.

PRESENT "DAY" POLITICS

The SPEAKER. Under the previous order of the House the gentleman from

New Jersey [Mr. CAHILL], is recognized for 30 minutes.

(Mr. CAHILL asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. CAHILL. Mr. Speaker, the Post Office Department of the United States has for generations been recognized as a political Department. Usually the biggest fundraiser for the successful political party finds himself rewarded by appointment as the Postmaster General. Thereafter under the direction of the Postmaster General the Department heads usually favor the successful party and its members with jobs, promotions and other forms of political patronage. As far as I have been able to determine, however, the Post Office Department has never stooped to playing politics to the detriment of communities and the thousands of citizens who live in the communities served by post offices.

I have, therefore, taken the floor of the House today to bring to the attention of the Members the facts concerning a particular decision made by the present Postmaster General which to my mind has attained a new low in politics.

In order to do so, I shall set forth chronologically the events all of which can be readily established by provable evidence from which the Members of this House and the people of this country can draw their own conclusions.

Back in 1959 a group of citizens of Delaware Township, Camden County, N.J., complained to me about the postal service then existing in that township. Delaware Township is located approximately 5 miles from the city of Camden, N.J., and is the largest growing community in the entire Delaware Valley. It has grown in population from approximately 10,000 according to the 1950 census to approximately 35,000 by the 1960 census and is still experiencing the greatest dynamic growth in the entire Philadelphia-Camden area. As a result, a great many of the leading department stores, formerly located exclusively in the city of Philadelphia have now established themselves in huge shopping centers built in this township. New factories, hotels, department stores, industries and allied enterprises have in the past 5 years invested millions of dollars in this township. All of these businesses depend to a large extent on adequate mail service and particularly on a civic identity. Nothing is more important to a business than a single permanent address.

The complaints of the citizens of Delaware Township as originally made to me in 1959 can be summarized as follows: The community of Delaware Township was for years serviced by seven different post offices. The resultant confusion erupted into complete chaos when additional homeowners by the thousands and new businesses by the hundreds moved into the community. The civic leaders who contacted me represented all segments of the industries and community life and were both Democrats, Republicans, and Independents in their political beliefs.

Requests by me for a single independent post office for this township were

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued February 5, 1962
For actions of February 2, 1962
87th-2d, No. 16

CONTENTS

Adjourned.....10	Foreign trade.....15	Personnel.....9
Conservation.....14	Forestry.....6,13	Reclamation.....20
Cooperatives.....18	Housing.....16	Recreation.....6,13
Education.....4	Marketing.....18	Reorganization.....19
Farm income.....2	Meat industry.....3	Revolving fund.....18
Farm program.....1,12,17	National parks.....6,13	Rural development.....11
		Stockpiling.....8
		Surplus commodities.....7
		Urban affairs.....16
		Water resources.....5

HIGHLIGHTS: Senator Ellender introduced and discussed farm bill.

SENATE

1. FARM PROGRAM. Received from this Department a draft of the proposed farm bill; to Agriculture and Forestry Committee. p. 1248
2. FARM INCOME. Sen. Humphrey inserted an article stating that farm income in Minn. increased 15 percent in 1961 and stated that, "This is the kind of evidence and testimony that dispels any doubt as to the effectiveness of the Kennedy-Freeman farm program and agricultural policies." pp. 1294-5
3. MEAT INDUSTRY. Sen. Hickey expressed concern over "the growing concentration in the giant chainstores of the different operations of the meat industry," and inserted an article, "Rancher Asks Law To Restrain Chainstore Practices." pp. 1315-7
4. EDUCATION. Began debate on S. 1241, to authorize Federal assistance to institutions of higher education in financing the construction and improvement of educational facilities. pp. 1309-14, 1342-3, 1345-89, 1398-9
5. WATER RESOURCES. Sen. Proxmire inserted a series of articles on "the need for a broad overhaul of present Federal policies and programs affecting water management and development," discussing the water development activities and policies of the Corps of Engineers, Soil Conservation Service, and Bureau of Reclamation. pp. 1301-4

6. NATIONAL PARKS; FORESTRY. Sen. Moss urged enactment of legislation to provide for the establishment of a Canyonlands National Park in Utah. pp. 1282-3
7. SURPLUS COMMODITIES. Sen. Wiley inserted a Wisc. Legislature resolution urging the Federal Government to liberalize policies for the distribution of surplus commodities for the aging. p. 1249
8. STOCKPILING. Sen. Byrd, Va., submitted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal stockpile inventories, including CCC commodity inventories and stockpile materials acquired by exchange or barter of agricultural commodities. pp. 1250-6
9. PERSONNEL. Received from the Civil Service Commission reports of various departments and agencies relative to positions in grades GS-16, 17, and 18. p. 1248
10. ADJOURNED until Mon., Feb. 5. p. 1399

ITEMS IN APPENDIX

11. RURAL DEVELOPMENT. Extension of remarks of Sen. Magnuson inserting an article, "Attraction of a New Industry to a Small County -- A Case History." pp. A780-1
Extension of remarks of Sen. Magnuson inserting a speech, "The Three D's of County Government -- - Dollars, Development, and Direction." pp. A786-7
12. FARM PROGRAM. Extension of remarks of Sen. Capehart inserting an article, "Big Surplus of Farm Meddling," saying, "The Farmers, the taxpayers, and consumers will be better off if this Congress begins to reduce farm controls rather than extending them into new areas." p. A783
Extension of remarks of Sen. Capehart inserting an article, "Freeman's First Year," saying, "The first Kennedy farm year was a huge and costly flop." p. A789
13. RECREATION. Extension of remarks of Sen. Neuberger saying, "I will look forward to receiving the administration's detailed program for implementing the recommendations of the Outdoor Recreation Resources Review Commission. The need for national seashore recreation areas, parks, and other facilities has been generally recognized for some time," and inserting an editorial, "Outdoor Recreation Needs." p. 782
14. CONSERVATION. Extension of remarks of Rep. Williams inserting an article, "Across the Line Fence," urging, "an appropriation of \$250 million to continue during fiscal year 1963 the agricultural conservation program at its present rate." p. A791
15. FOREIGN TRADE. Extension of remarks of Rep. Boggs inserting an editorial, "High Aim: Freer World Trade." pp. A791-2
16. URBAN AFFAIRS. Extension of remarks of Rep. Williams inserting an editorial, "The Proposed Department of Urban Affairs and Housing," discussing "why creation of a Department of Urban Affairs is unwise." pp. A792-3

BILLS INTRODUCED

17. FARM PROGRAM. S. 2786, by Sen. Ellender, to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the

87TH CONGRESS
2^D SESSION

S. 2786

IN THE SENATE OF THE UNITED STATES

FEBRUARY 2, 1962

Mr. ELLENDER introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture Act
4 of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 "(e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 changes in cropping systems and land uses and for practices
23 or measures to be carried out on any lands owned or operated
24 by them for the purpose of conserving and developing soil,
25 water, forest, wildlife, and recreation resources. Such agree-

ments shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

“(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

“(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

“(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

“(5) In any case where the Secretary deems it desirable he may as a condition to entering into an agreement hereunder require, notwithstanding the provisions of any other law, the surrender of any crop history or allotment applicable to land covered by the agreement for the purpose of any

1 Federal program under which such crop history or allotment
2 is used as a basis for an allotment or other limitation on the
3 production of such crop.

4 “(6) There is hereby authorized to be appropriated such
5 sums as may be necessary to carry out this subsection.”

6 SEC. 102. Section 31 and subsections (a), (b), (c),
7 and (e) of section 32 of title III of the Bankhead-Jones
8 Farm Tenant Act (50 Stat. 525), as amended, are amended
9 to read as follows:

10 “SEC. 31. The Secretary is authorized and directed to
11 develop a program of land conservation and land utilization,
12 including the more economic use of lands and the retirement
13 of lands which are submarginal or not primarily suitable for
14 cultivation, in order thereby to correct maladjustments in
15 land use, and thus assist in controlling soil erosion, reforesta-
16 tion, providing public recreation, preserving natural re-
17 sources, protecting fish and wildlife, mitigating floods, pre-
18 venting impairment of dams and reservoirs, conserving
19 surface and subsurface moisture, protecting the watersheds
20 of navigable streams, and protecting the public lands, health,
21 safety, and welfare.

22 “SEC. 32. To effectuate the program provided for in
23 section 31 of this title, the Secretary is authorized—

24 “(a) to acquire by purchase, gift, or devise, or by
25 transfer from any agency of the United States or from

any State, territory, or political subdivision, any lands, or rights or interests therein, which he deems necessary to carry out the purposes of this title. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title: *Provided*, That the land purchases hereunder shall be limited to those which the Secretary determines would not have a serious adverse effect on the economy of the county or community in which the land is located;

“(b) to protect, improve, develop, and administer any property so acquired and to construct, operate, and maintain such structures thereon as may be necessary to adapt it to its most beneficial use;

“(c) to sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however*, That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary finds that such exchange

1 would not conflict with the purposes of this title, and
2 that the value of the property received in exchange is
3 substantially equal to that of the property conveyed.
4 The Secretary may recommend to the President other
5 Federal, State, or territorial agencies to administer such
6 property, together with the conditions of use and ad-
7 ministration which will best serve the purposes of a land-
8 conservation and land-utilization program, and the Pres-
9 ident is authorized to transfer such property to such
10 agencies. The Secretary may, where he determines it
11 necessary to accomplish the purposes of this title, con-
12 vey property acquired after the date of this amendment
13 to carry out such purposes to any agency, governmental
14 or otherwise, or any person, upon such terms and con-
15 ditions as he deems advisable: *Provided*, That this au-
16 thority shall not be applicable to lands acquired in ex-
17 change for lands acquired prior to the date of this
18 amendment;

19 “(d) to cooperate, enter into agreements with, or to
20 furnish financial or other aid to, any Federal, State,
21 territorial, or any other agency, governmental or other-
22 wise, in developing and carrying out plans for a program
23 of land conservation and land utilization, to conduct sur-
24 veys and investigations relating to conditions and fac-
25 tors affecting, and the methods of accomplishing most

effectively the purposes of this title, and to disseminate information concerning these activities.”

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: “*Provided, That* when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further, That* when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, ease-

1 ments or rights-of-way; and, except where such costs
2 are to be borne by the Secretary, such advance shall be
3 repaid by the local organization, without interest, prior
4 to construction of the works of improvement, for credit
5 to such construction funds.”

6 (2) Clause (A) of paragraph 2 of section 4 of said
7 Act is amended to read as follows: “(A) such propor-
8 tionate share, as is determined by the Secretary to be
9 equitable in consideration of national needs and assist-
10 ance authorized for similar purposes under other Federal
11 programs, of the costs of installing any works of improve-
12 ment, involving Federal assistance (excluding engineer-
13 ing costs), which is applicable to the agricultural phases
14 of the conservation, development, utilization, and dis-
15 posal of water or for fish and wildlife or recreational
16 development, and”.

17 **TITLE II—AGRICULTURAL TRADE**
18 **DEVELOPMENT**

19 SEC. 201. Title II of the Agricultural Trade Develop-
20 ment and Assistance Act of 1954, as amended, is further
21 amended as follows:

22 (1) Section 201 is amended by striking out the
23 words “out of its stocks”.

24 (2) Section 202 is amended by striking out “from
25 Commodity Credit Corporation stocks” and substituting

1 “(as defined in section 106 of title I) made available by
2 Commodity Credit Corporation”.

3 SEC. 202. Title IV of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended, is further
5 amended as follows:

6 (1) Section 401 is amended by adding at the end
7 thereof the following new sentence: “It is also the pur-
8 pose of this title to stimulate and increase the sale of
9 surplus agricultural commodities for dollars through
10 long-term supply agreements and through the extension
11 of credit for the purchase of such commodities, by agree-
12 ments either with foreign nations or with the private
13 trade, thereby assisting the development of the econ-
14 omies of friendly nations and maximizing dollar trade:
15 *Provided*, That agreements with the private trade shall
16 be limited to the purchase of commodities for use in
17 underdeveloped countries.”

18 (2) Section 402 is amended—

19 (a) by inserting the words “including financial
20 institutions acting in behalf of such nations” after
21 the words “friendly nations”; and

22 (b) by adding at the end thereof the follow-
23 ing new sentence: “In furtherance of the purpose of
24 maximizing dollar sales through the private trade,
25 the Secretary of Agriculture is authorized to enter

1 into sales agreements with foreign and United States
2 private trade under which he shall undertake to pro-
3 vide for the delivery of surplus agricultural com-
4 modities over such periods of time and under the
5 terms and conditions set forth in this title.”

6 (3) Section 403 is amended—

7 (a) by deleting the words “approximately
8 equal” from the last sentence thereof and substitut-
9 ing therefor the word “reasonable”; and

10 (b) by inserting after the word “agreement” in
11 the last sentence thereof the following: “except that
12 the date for beginning such annual payments may
13 be deferred for a period not later than two years
14 after such date of last delivery;”

15 (4) Section 405 is amended to read as follows:

16 “In entering into agreements with friendly nations
17 for the sale of surplus agricultural commodities, the Presi-
18 dent may, to the extent deemed practicable and in the
19 best interests of the United States, permit other friendly
20 and historic supplying nations to participate in supply-
21 ing such commodities under the sales agreement on the
22 same terms and conditions as those applicable to the
23 United States.”

24 (5) Section 406 is amended by inserting after the
25 word “Sections” the following: “101 (b) and (c)”.

1 SEC. 203. A new title V is added at the end of the Agri-
2 cultural Trade Development and Assistance Act of 1954, as
3 amended, as follows:

4 “TITLE V—MULTILATERAL FOOD PROGRAMS

5 “SEC. 501. The purpose of this title is to utilize surplus
6 agricultural commodities produced in the United States in
7 programs of economic development, emergency assistance,
8 and special feeding carried out through the United Nations
9 system or other intergovernmental organizations.

10 “SEC. 502. In furtherance of the foregoing purpose, the
11 President is authorized to negotiate and carry out agreements
12 with such intergovernmental organizations to provide for
13 the transfer on a grant basis of surplus agricultural com-
14 modities from stocks of the Commodity Credit Corporation
15 or from private stocks procured by the Corporation for the
16 purposes of this title, to such organizations for use in pro-
17 grams of economic development, emergency assistance, and
18 special feeding.

19 “SEC. 503. In entering into such agreements the Pres-
20 ident shall secure commitments from such international
21 organizations that reasonable precautions will be taken to
22 assure that agricultural commodities utilized in the program
23 shall not displace or interfere with sales of agricultural com-
24 modities produced in the United States.

25 “SEC. 504. For the purpose of carrying out agreements

1 entered into by the President under this title, Commodity
2 Credit Corporation is authorized to make available surplus
3 agricultural commodities either from its stocks or by procure-
4 ment from private stocks, and to pay with respect to com-
5 modities made available hereunder, in addition to the cost
6 of procurement of commodities from private stocks, the cost
7 of processing, packaging, transportation, handling, and other
8 charges up to the time of their delivery free alongside ship
9 or free on board export carrier at point of export: *Provided*,
10 That after June 30, 1963, the Commodity Credit Corpora-
11 tion shall not incur any costs in carrying out this title unless
12 the Corporation has received funds to cover such costs from
13 appropriations made to carry out the purposes of this title.
14 “SEC. 505. There are hereby authorized to be appro-
15 priated such sums as may be necessary to carry out the pur-
16 poses of this title, and such amounts as may be necessary to
17 reimburse the Commodity Credit Corporation for all costs
18 incurred by it hereunder including the Corporation’s invest-
19 ment in commodities made available from its stocks.”

20 TITLE III—MARKETING ORDERS

21 SEC. 301. The Agricultural Adjustment Act, as reen-
22 acted and amended by the Agricultural Marketing Agree-
23 ment Act of 1937, as amended, is further amended as
24 follows:

25 (1) Section 8c(5)(G) is amended by striking the

1 period at the end thereof and adding the following: "on
2 the basis of where such milk was produced."

3 (2) Section 8c(6) is amended by striking sub-
4 paragraph (I) thereof and section 8c(7) is amended
5 by adding at the end thereof the following:

6 " (E) Establishing or providing for the estab-
7 lishment of marketing research and development
8 projects designed to assist, improve, or promote the
9 marketing, distribution, and consumption of any
10 such commodity or product, the expense of such
11 projects to be paid from funds collected under sec-
12 tion 10 pursuant to the marketing order, except
13 that in the case of orders applicable to milk or its
14 products the order may provide that each producer
15 whose milk is regulated thereby shall pay to any
16 authority or agency established under such order his
17 pro rata share (as approved by the Secretary) of
18 the expenses of such projects, and for the purposes
19 of collecting such funds producers shall be deemed
20 handlers subject to the order: *Provided*, That no
21 provision proposed for inclusion in an order pursuant
22 to this subparagraph shall become effective unless
23 the order is otherwise approved by producers and
24 producer approval of the provision under this sub-
25 paragraph is separately determined as provided in

1 paragraphs (8), (9), (12), and (19) of this
2 section, but failure to approve such provisions shall
3 not affect the remainder of any order otherwise
4 approved.”

5 (3) Section 8c (18) is amended by adding a new
6 sentence at the end thereof as follows: “Notwithstand-
7 ing the foregoing, this paragraph shall not be applicable
8 for any period when producer allotments under section
9 8f are in effect under the order: *Provided*, That in such
10 periods in effectuating the policy under subsections
11 2 (1) and (2) of this title the Secretary in establishing
12 the prices for milk used for fluid purposes shall take into
13 account these factors: (1) the current levels of such
14 prices; (2) adjustments in supply; (3) the relationship
15 between such prices and the prices paid for milk for
16 manufacturing and for other alternative or substitute
17 supplies; and (4) the need for assuring an adequate
18 supply of milk for consumers in the marketing area at
19 reasonable cost.”

20 (4) By adding a new section 8f as follows:

21 “SEC. 8f. Notwithstanding any other provision of this
22 title—

23 “(1) any order issued under section 8c of this title
24 applicable to turkeys or turkey hatching eggs may, in
25 addition to, or in lieu of, the provisions in sections 8c (6)

and (7), contain provisions allotting, or providing methods for allotting, the amount of such commodity or product, or any grade, size, or quality thereof, which each producer may be permitted to market or dispose of in any or all markets or use classifications during any specified period or periods on the basis of (i) the amount produced or marketed by such producer or produced on or marketed from the farm on which he is a producer in such prior period as the Secretary of Agriculture determines to be representative, subject to such adjustment for abnormal conditions and other factors affecting production or marketing as the Secretary may determine, or (ii) the current quantities available for marketing by such producer, or (iii) any combination of (i) and (ii), to the end that the total allotment during any specified period or periods shall be apportioned equitably among producers. Allotments hereunder may be in terms of quantities or other production units. If the Secretary determines that such action will facilitate the administration of a marketing order hereunder he may fix, or provide a method for fixing, a minimum allotment applicable to producers whose marketings in the aggregate will not substantially impair the effective operation of the order and such producers shall not be subject to the

1 regulatory provisions of the order except as prescribed
2 therein;

3 “(2) in the case of milk and its products any order
4 issued under section 8c of this title may, in addition to,
5 or in lieu of, the provisions in sections 8c (5) and (7)
6 contain one or more of the following terms and con-
7 ditions:

8 “(A) Allotting or providing methods for allot-
9 ting the total amount of milk which each producer
10 may market or dispose of not subject to paragraph
11 (B) hereof during any specified period or periods on
12 the basis of the amount marketed by such producer
13 in such prior period as the Secretary of Agriculture
14 determines to be representative, subject to such ad-
15 justment for abnormal conditions and other factors
16 affecting production or marketing as the Secretary
17 may determine to be appropriate to the end that
18 such allotments shall be apportioned equitably
19 among producers.

20 “(B) During any period or periods when pro-
21 ducer allotments are in effect, apportioning, or pro-
22 viding methods for apportioning the total value of
23 milk purchased by any handler or by all handlers
24 so that each producer who exceeds his allotment
25 shall receive for such excess a price which the Secre-

1 tary determines will tend to discourage the produc-
2 tion and marketing of such excess but which shall
3 not be less than 25 per centum of the lowest classified
4 use price established under the order for the period
5 or periods in question.

6 “(C) In the case of producers subject to allot-
7 ments under an order who deliver a portion of their
8 milk to persons not fully regulated by the order,
9 reducing or providing methods for reducing the
10 allotment of, or payments to be received by, any
11 such producer to compensate for any marketings of
12 excess milk to such other persons for such period
13 or periods as necessary to insure equitable partic-
14 ipation in marketings among all producers, and
15 providing for such reports and the keeping of such
16 books and records by the producer and by the per-
17 son or persons to whom he may dispose of such
18 other milk as the Secretary may prescribe.

19 “(D) Whenever national marketing allotments
20 are in effect for milk pursuant to any other statute
21 of the United States, coordinating or providing
22 methods for coordinating any payments made or
23 fees assessed on excess milk pursuant to such Act
24 and the price of or payment for excess milk pursuant

1 to the terms of the order, and facilitating the admin-
2 istration of such national allotments.

3 “(3) the Secretary shall suspend or revoke any
4 provisions establishing allotments for milk producers
5 under an order whenever he finds that the interests of
6 consumers are not being protected under the order by
7 reason of (i) the levels of prices being paid for the
8 various uses of milk in such area exceed generally and
9 for a representative period of time the levels of minimum
10 prices prescribed by the Secretary for such uses in the
11 area, or (ii) supplies of milk for the market area have
12 been reduced to quantities which may endanger an ade-
13 quate supply of milk for such area, giving full considera-
14 tion to the reserves essential to and normal for such
15 area;

16 “(4) in case producer allotments for milk are in
17 effect pursuant to this section, no handler, including a
18 cooperative association, shall make payment to a pro-
19 ducer on milk marketed in excess of his allotment, at a
20 rate other than that prescribed for such excess milk;

21 “(5) the authorization for provisions contained in
22 section 8c(7) (D) shall be applicable to orders con-
23 taining provisions under this section with the same force
24 and effect as though this section was specified therein;

1 “(6) a producer for whom an allotment is estab-
2 lished shall be deemed a handler subject to the order
3 for purposes of sections 8c(14), 8c(15) (B), 8d, and
4 10(b) (2) of this title;

5 “(7) any producer for whom an allotment is es-
6 tablished under the authority of this section may obtain
7 a review of the lawfulness of his allotment as prescribed
8 by the order of the Secretary establishing the allotment
9 and rules and regulations thereunder, which shall con-
10 stitute the exclusive procedure for review thereof and
11 section 8c(15) (A) of this title shall not apply thereto.
12 Under such order, rules, or regulations any officers or
13 employees of the Department or any committees or
14 boards created or designated by the Secretary of Agricul-
15 ture may be vested with authority to perform any or all
16 functions in connection with such review proceedings,
17 including ruling thereon. Committees or boards
18 created or designated for this purpose shall be deemed
19 agencies of the Secretary within the meaning of sub-
20 section 8c(7) (C) and section 10 of this title. The
21 ruling upon such review shall be final if in accordance
22 with law. The producer may obtain a judicial review
23 of such ruling in accordance with the provisions of
24 section 8c(15) (B) of this title;

1 “(8) when allotments for producers of turkeys or
2 turkey hatching eggs are established under this section
3 the order may contain provisions allotting or providing
4 a method for allotting the quantity which any handler
5 may handle so that any and all handlers will be limited
6 as to each producer to the quantity allotted to each
7 producer, and such allotment shall constitute an allot-
8 ment fixed for each handler within the meaning of
9 section 8a (5) of this title.”

10 (5) By adding a new section 8g as follows:

11 “SEC. 8g. Proposals for producer allotment provisions
12 under section 8f in an order with respect to milk or its
13 products shall not be considered with respect to application
14 thereof to an area where provisions under section 8c (5) are
15 already in effect unless there is simultaneous consideration of
16 the need for changes in the existing order to coordinate it
17 with the proposed provisions. Producer approval shall be
18 determined for the order resulting from the combined pro-
19 posal and disapproval thereof shall not affect the existing
20 order previously approved.”

21 TITLE IV—COMMODITY PROGRAMS

22 SUBTITLE A—FEED GRAINS

23 SEC. 401. Subtitle B of title III of the Agricultural
24 Adjustment Act of 1938, as amended, is further amended by
25 inserting after part VI a new part VII as follows:

1 "PART VII—MARKETING QUOTAS—FEED GRAINS

2 "LEGISLATIVE FINDINGS

3 "SEC. 360a. The production of feed grains is a vital
4 part of the agricultural economy of the United States. Feed
5 grains move almost wholly in interstate and foreign com-
6 merce in the form of grains, livestock, and livestock products.

7 "Abnormally excessive and abnormally deficient sup-
8 plies of feed grains on the national market acutely and
9 directly burden, obstruct, and affect interstate and foreign
10 commerce. When the available supply of feed grains is
11 excessive, the prices of feed grains are unreasonably low and
12 farmers overexpand livestock production to find outlets for
13 feed grains. Excessive supplies of feed grains cause the
14 marketing of excessive supplies of livestock in interstate and
15 foreign commerce at sacrificial prices, endanger the financial
16 stability of producers, and overtax the handling, processing,
17 and transportation facilities through which the flow of inter-
18 state and foreign commerce in feed grains, livestock, and
19 livestock products is directed. Deficient supplies of feed
20 grains result in substantial decreases in livestock production
21 and in an inadequate flow of livestock and livestock products
22 in interstate and foreign commerce, with the consequence of
23 unreasonably high prices to consumers and loss of markets
24 for producers.

25 "The principal grains used for livestock feed are corn,

1 barley, grain sorghums, and oats. Although certain feed
2 grains are better suited for production in some areas than
3 other feed grains, in general, one of several feed grains can
4 be grown on the same land. A marketing program which
5 provides for a single quota applicable to feed grains and
6 which permits producers to determine, within the quota,
7 which feed grains they shall produce will tend to effectuate
8 the policy of the Act and will permit producers the maximum
9 amount of freedom of choice consistent with the attainment
10 of the policy of the Act.

11 “The conditions affecting the production and marketing
12 of feed grains are such that, without Federal assistance,
13 farmers, individually or in cooperation, cannot effectively
14 provide for a balanced supply of feed grains and the orderly
15 marketing of feed grains in interstate and foreign commerce
16 at prices which are fair and reasonable to farmers and
17 consumers.

18 “The national public interest and general welfare require
19 that the burdens on interstate and foreign commerce above
20 described be removed by the exercise of Federal power.
21 Feed grains which do not move in the form of feed grains
22 outside of the State where they are produced are so closely
23 and substantially related to feed grains which move in the
24 form of feed grains outside of the State where they are pro-
25 duced, and have such a close and substantial relation to the

1 volume and price of livestock and livestock products in inter-
2 state and foreign commerce, that it is necessary to regulate
3 feed grains which do not move outside of the State where
4 they are produced to the extent set forth in this Act.

5 “The diversion of substantial acreages from feed grains
6 to the production of commodities which are in surplus supply
7 or which will be in surplus supply if they are permitted to be
8 grown on the diverted acreage would burden, obstruct, and
9 adversely affect interstate and foreign commerce in such
10 commodities, and would adversely affect the prices of such
11 commodities in interstate and foreign commerce. Small
12 changes in the supply of a commodity could create a sufficient
13 surplus to affect seriously the price of such commodity in
14 interstate and foreign commerce. Large changes in the
15 supply of such commodity could have a more acute effect on
16 the price of the commodity in interstate and foreign com-
17 merce and, also, could overtax the handling, processing, and
18 transportation facilities through which the flow of interstate
19 and foreign commerce in such commodity is directed. Such
20 adverse effects caused by overproduction in one year could
21 further result in a deficient supply of the commodity in the
22 succeeding year, causing excessive increases in the price of
23 the commodity in interstate and foreign commerce in such
24 year. It is, therefore, necessary to prevent acreage diverted
25 from the production of feed grains to be used to produce com-

1 commodities which are in surplus supply or which will be in
2 surplus supply if they are permitted to be grown on the di-
3 verted acreage.

4 "NATIONAL MARKETING QUOTA

5 "SEC. 360b. (a) Whenever prior to June 20 in any
6 calendar year the Secretary determines that the total supply
7 of feed grains in the marketing year beginning in the next
8 succeeding calendar year will, in the absence of a marketing
9 quota program, likely be excessive, the Secretary shall pro-
10 claim that a national marketing quota for feed grains shall
11 be in effect for such marketing year and for either the
12 following marketing year or the following two marketing
13 years, if the Secretary determines and declares in such
14 proclamation that a two- or three-year marketing quota
15 program is necessary to effectuate the policy of the Act.

16 "(b) If a national marketing quota for feed grains has
17 been proclaimed for any marketing year, the Secretary shall
18 determine and proclaim the amount of the national market-
19 ing quota for such marketing year not earlier than January
20 1 or later than June 20 of the calendar year preceding the
21 year in which such marketing year begins. The amount of
22 the national marketing quota for feed grains for any market-
23 ing year shall be an amount of feed grains which, during such
24 marketing year, the Secretary estimates (i) will be utilized
25 in the United States in the production of the volume of live-

1 stock (including poultry) and livestock products determined
2 to be needed to meet domestic consumption and export re-
3 quirements, (ii) will be utilized for human consumption in
4 the United States as food, food products, and beverages, com-
5 posed wholly or partly of feed grains, (iii) will be utilized
6 in the United States for seed and industrial uses, and (iv)
7 will be exported either in the form of feed grains or products
8 thereof; less (i) an amount of feed grains equal to the esti-
9 mated imports of feed grains into the United States during
10 such marketing year and, (ii) if the stocks of feed grains
11 owned by the Commodity Credit Corporation are determined
12 by the Secretary to be excessive, an amount of feed grains
13 determined by the Secretary to be a desirable reduction in
14 such marketing year in such stocks to achieve the policy of
15 the Act: *Provided*, That if the Secretary determines that
16 the total stocks of feed grains in the Nation are insufficient
17 to assure an adequate carryover for the next succeeding
18 marketing year, the national marketing quota otherwise de-
19 termined shall be increased by the amount the Secretary
20 determines to be necessary to assure an adequate carryover.

21 “ (c) If, after the proclamation of a national marketing
22 quota for feed grains for any marketing year, the Secretary
23 has reason to believe that, because of a national emergency
24 or because of a material increase in the demand for feed
25 grains, the national marketing quota should be terminated or

1 the amount thereof increased, he shall cause an immediate
2 investigation to be made to determine whether such action is
3 necessary in order to meet such emergency or increase in the
4 demand for feed grains. If, on the basis of such investiga-
5 tion, the Secretary finds that such action is necessary, he
6 shall immediately proclaim such finding and the amount of
7 any such increase found by him to be necessary and there-
8 upon such national marketing quota shall be so increased or
9 terminated. In case any national marketing quota is in-
10 creased under this subsection, the Secretary shall provide for
11 such increase by increasing acreage allotments established
12 under this part by a uniform percentage.

13 "NATIONAL ACREAGE ALLOTMENT

14 "SEC. 360c. Whenever the amount of the national
15 marketing quota for feed grains is proclaimed for any mar-
16 keting year, the Secretary at the same time shall proclaim
17 a national acreage allotment for the crop of feed grains
18 planted for harvest in the calendar year in which such
19 marketing year begins. The amount of the national acreage
20 allotment shall be the number of acres which the Secretary
21 determines on the basis of expected yields and expected
22 underplantings of farm acreage allotments will, together with
23 (1) the expected production of feed grains in the noncom-
24 mercial area, if any, and (2) the expected production on
25 increased acreages resulting from the small-farm exemption

1 pursuant to section 360f, make available a supply of feed
2 grains equal to the national marketing quota for feed grains
3 for such marketing year.

4 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

5 "SEC. 360d. (a) The national acreage allotment for
6 any crop of feed grains, less a reserve acreage of not to
7 exceed 1 per centum thereof for use as provided in sub-
8 section (b) (2) of this section, shall be apportioned by the
9 Secretary among the several States on the basis of the base
10 acreage of feed grains for each State. The State base acreage
11 of feed grains shall be the average acreage of feed grains
12 in the State during the base period, adjusted pursuant to
13 subsection (d) of this section.

14 "(b) (1) The State acreage allotment for any crop of
15 feed grains, less a reserve acreage of not to exceed 3 per
16 centum thereof for use as provided in subsection (c) (2) of
17 this section, shall be apportioned by the Secretary among
18 the counties in the State on the basis of the base acreage of
19 feed grains for each county. The county base acreage of
20 feed grains shall be the average acreage of feed grains in the
21 county during the base period, adjusted pursuant to subsec-
22 tion (d) of this section.

23 "(2) The reserve acreage established pursuant to sub-
24 section (a) of this section shall be used by the Secretary to
25 make increases in county acreage allotments on the basis of

1 the relative needs of counties for an additional share of the
2 national acreage allotment because of reclamation and other
3 new areas coming into the production of feed grains.

4 “(c) (1) The county acreage allotment for any crop
5 of feed grains shall be apportioned by the Secretary, through
6 the county committee, among the farms in the county on
7 the basis of the base acreage of feed grains for each farm.
8 The farm base acreage of feed grains shall be the average
9 acreage of feed grains on the farm during the base period,
10 adjusted pursuant to subsection (d) of this section.

11 “(2) The reserve acreage established pursuant to sub-
12 section (b) (1) of this section shall be available:

13 “(A) For apportionment to farms which were eli-
14 gible to receive farm acreage allotments under this part,
15 but which through error did not receive such allotments;

16 “(B) For making increases in farm acreage allot-
17 ments on the basis of any one or more of the following
18 factors: tillable acres, type of soil, topography, estab-
19 lished crop-rotation practices on the farm, hardship, in-
20 equities in allotments, and such other factors as the Sec-
21 retary determines should be considered for the purpose
22 of establishing fair and equitable farm acreage allotments;
23 and

24 “(C) For apportionment to farms for which farm
25 acreage allotments were not determined because there

were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

“(d) In determining the State, county, and farm base acreages—

“(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

“(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest,

1 land which is regarded as devoted to the production
2 of feed grains under Federal farm programs, established
3 crop-rotation practices on the farm, and such other
4 factors as the Secretary determines should be considered
5 for the purpose of establishing fair and equitable base
6 acreages;

7 “(3) the acreage of feed grains on the farm in
8 excess of the farm acreage allotment shall be excluded
9 in determining the average acreage of feed grains for
10 the State, county, or farm.

11 “COMMERCIAL AREA

12 “SEC. 360e. Notwithstanding any other provision of this
13 part, if the Secretary determines that the establishment of a
14 commercial feed grain area will facilitate the administration
15 of a marketing quota program for feed grains and will not
16 substantially impair the effective operation thereof, he may
17 establish a commercial area for feed grains taking into con-
18 sideration with respect to the commercial area and the non-
19 commercial area one or more of the following factors: the
20 total production of feed grains, the number of farms normally
21 producing feed grains, the average production of feed grains
22 per farm, the value of the total marketings of feed grains, and
23 the extent to which marketings enter into commercial chan-
24 nels outside such area. In establishing a commercial area
25 the Secretary shall, insofar as practicable, observe county

1 boundary lines. The commercial area shall be proclaimed
2 at the time the national marketing quota is proclaimed pur-
3 suant to section 360b, and such national marketing quota
4 shall not be in effect with respect to feed grains produced out-
5 side the commercial area. The national acreage allotment
6 for any crop of feed grains shall be apportioned by the
7 Secretary among the States, counties, and farms in the
8 commercial area on the basis of the provisions of section
9 360d.

10 "SMALL FARM EXEMPTION

11 "SEC. 360f. Notwithstanding any other provision of
12 this part, no farm marketing quota for any crop of feed grains
13 shall be applicable to any farm with a farm base acreage
14 of twenty-five acres or less if the acreage of such crop of
15 feed grains does not exceed the farm base acreage deter-
16 mined for the farm, unless the owner or operator elects in
17 writing on a form and within the time prescribed by the
18 Secretary to be subject to the farm acreage allotment. If
19 the owner or operator of any such farm fails to make such
20 election with respect to any crop of feed grains, (i) for the
21 purposes of section 360h, the farm acreage allotment for such
22 crop of feed grains shall be deemed to be the farm base
23 acreage if the acreage of such crop of feed grains exceeded
24 the farm base acreage, (ii) the land-use provisions of sec-

1 tion 360j shall be inapplicable to the farm, and (iii) such
2 crop of feed grains shall not be eligible for price support.

3 "REFERENDUM

4 "SEC. 360g. If a national marketing quota for feed grains
5 for one, two, or three marketing years is proclaimed, the
6 Secretary shall, not later than sixty days after such proclama-
7 tion is published in the Federal Register, conduct a referen-
8 dum, by secret ballot, of farmers to determine whether they
9 favor or oppose marketing quotas for the marketing year or
10 years for which proclaimed. Any producer who has a feed
11 grain base shall be eligible to vote in any referendum held
12 pursuant to this section, except a producer who has a farm
13 feed grain base of twenty-five acres or less and who does not
14 elect, pursuant to section 360f, to be subject to the farm acre-
15 age allotment. The Secretary shall proclaim the results of
16 any referendum held hereunder within thirty days after the
17 date of such referendum, and if the Secretary determines that
18 more than one-third of the farmers voting in the referendum
19 voted against marketing quotas, the Secretary shall pro-
20 claim that marketing quotas will not be in effect with respect
21 to the crop of feed grains produced for harvest in the calendar
22 year following the calendar year in which the referendum is
23 held. If the Secretary determines that two-thirds or more
24 of the farmers voting in a referendum approve marketing
25 quotas for a period of two or three marketing years, no refer-

1 endum shall be held for the subsequent year or years of such
2 period.

3 "COMPLIANCE

4 "SEC. 360h. (a) (1) The farm marketing quota for any
5 crop of feed grains shall be the actual production of the
6 acreage of feed grains on the farm less the farm marketing
7 excess. The farm marketing excess shall be an amount equal
8 to twice the normal production of the acreage of feed grains
9 on the farm in excess of the farm acreage allotment for such
10 crop: *Provided*, That the farm marketing excess shall be an
11 amount equal to the actual production of the number of acres
12 of feed grains on the farm in excess of the farm acreage allot-
13 ment for such crop, if the producer, in accordance with
14 regulations issued by the Secretary and within the time
15 prescribed therein, establishes to the satisfaction of the
16 Secretary the actual production of such crop of feed grains on
17 the farm: *Provided further*, That if there is an acreage of
18 more than one feed grain on the farm, in determining which
19 acreage is in excess of the farm acreage allotment, the acre-
20 age of the feed grain or grains which will result in the largest
21 penalty computed in accordance with subsection (b) hereof
22 shall be considered as the acreage in excess of the farm
23 acreage allotment.

24 "(2) For the purposes of this section, (i) 'actual pro-

1 duction' of any number of acres of a feed grain on a farm
2 means the actual average yield of such feed grain on the farm
3 multiplied by the number of acres of such feed grain, and
4 (ii) 'normal production' of any number of acres of a feed
5 grain on a farm means the normal yield of such feed grain
6 on the farm multiplied by the number of acres of such feed
7 grain. The normal yield of any feed grain for a farm shall
8 be the average yield of such feed grain determined by the
9 Secretary for the local administrative area during the base
10 period (as defined in subsection (d) (1) of section 360d)
11 adjusted to the extent the Secretary determines necessary for
12 abnormal factors affecting production. The local adminis-
13 trative area shall be such area established pursuant to section
14 8 (b) of the Soil Conservation and Domestic Allotment Act,
15 as amended, in which the farm is located.

16 “(3) In determining the farm marketing quota and
17 farm marketing excess, (i) any acreage of a feed grain
18 remaining after the date prescribed by the Secretary for the
19 disposal of excess acres of such feed grain shall be included
20 as an acreage of feed grains on the farm, and the production
21 thereof shall be appraised in such manner as the Secretary
22 determines will provide a reasonably accurate estimate of
23 such production, (ii) any acreage of any feed grain classified
24 as wheat acreage pursuant to section 337 shall not be con-
25 sidered feed grain acreage, and (iii) any acreage of feed

1 grains disposed of in accordance with regulations issued by
2 the Secretary prior to such date as may be prescribed by the
3 Secretary shall be excluded in determining the farm market-
4 ing quota and farm marketing excess. Marketing quotas for
5 any marketing year shall be in effect with respect to feed
6 grains harvested in the calendar year in which such market-
7 ing year begins notwithstanding that the feed grains are
8 marketed prior to the beginning of such marketing year.

9 “(b) Whenever farm marketing quotas are in effect
10 with respect to any crop of feed grains, the farm marketing
11 excess of any feed grain shall be regarded as available for
12 marketing, and the producers on a farm shall be subject to
13 a penalty on the farm marketing excess of feed grains at a
14 rate per bushel on the amount of feed grains in the farm mar-
15 keting excess equal to 65 per centum of the parity price of
16 the particular feed grain involved as of May 1 of the calen-
17 dar year in which the crop is harvested. Each producer hav-
18 ing an interest in the crop of feed grains on any farm for
19 which a farm marketing excess of feed grains is determined
20 shall be jointly and severally liable for the entire amount of
21 the penalty on the farm marketing excess.

22 “(c) If the farm marketing excess is adjusted down-
23 ward on the basis of actual production as heretofore provided,
24 the difference between the amount of the penalty computed
25 upon the basis of twice the normal production and as com-

1 puted upon the basis of actual production shall be returned
2 to or allowed the producer.

3 “(d) Until the producers on any farm pay the penalty
4 on the farm marketing excess of any crop of feed grains, the
5 entire crop of feed grains produced on the farm and any sub-
6 sequent crop of feed grains subject to marketing quotas in
7 which the producer has an interest shall be subject to a lien
8 in favor of the United States for the amount of the penalty.

9 “(e) Until the penalty on the farm marketing excess of
10 feed grains is paid, each bushel of feed grains produced on
11 the farm shall be subject to the penalty specified in subsec-
12 tion (b) of this section, and such penalty on each bushel of
13 feed grains which is sold by the producer to any person
14 within the United States shall be paid by the buyer, who
15 may deduct an amount equivalent to the penalty from the
16 price paid to the producer. If the buyer fails to collect such
17 penalty, such buyer and all persons entitled to share in the
18 feed grains marketed from the farm or the proceeds thereof
19 shall be jointly and severally liable for such penalty.

20 “(f) The persons liable for the payment or collection
21 of the penalty on any amount of feed grains shall be liable
22 also for interest thereon at the rate of 6 per centum per an-
23 num from the date the penalty becomes due until the date
24 of payment of such penalty.

1 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

2 “SEC. 360i. Notwithstanding any other provision of law,
3 the Secretary may permit producers of wheat to have acre-
4 age devoted to the production of wheat considered as de-
5 voted to the production of feed grains to such extent and
6 subject to such terms and conditions as the Secretary de-
7 termines will not impair the effective operation of this sub-
8 title B.

9 “LAND USE

10 “SEC. 360j. (a) (1) During any year in which mar-
11 keting quotas for feed grains are in effect, the producers on
12 any farm (except a farm for which a farm acreage allot-
13 ment is established pursuant to section 360d (c) (2) (C)) on
14 which any crop is produced on acreage required to be di-
15 verted from the production of feed grains shall be subject
16 to a penalty on such crop, in addition to any marketing quota
17 penalty applicable to such crop, as provided in this subsec-
18 tion, unless (i) the crop is designated by the Secretary as
19 one which is not in surplus supply and will not be in surplus
20 supply if it is permitted to be grown on the diverted acreage,
21 or as one the production of which will not substantially im-
22 pair the purpose of the requirements of this section, or (ii)
23 no feed grains are produced on the farm, and the producers
24 have not filed an agreement or a statement of intention to
25 participate in the payment program formulated pursuant to

1 subsection (b) of this section. The acreage required to be
2 diverted from the production of feed grains on the farm
3 shall be an acreage of cropland equal to the amount by which
4 the base acreage of feed grains for the farm exceeds the
5 farm acreage allotment for feed grains. The actual produc-
6 tion of any crop subject to penalty under this subsection
7 shall be regarded as available for marketing and the penalty
8 on such crop shall be computed on the actual acreage of
9 such crop at the rate of 65 per centum of the parity price
10 per bushel, as of May 1, of the feed grain determined by the
11 Secretary to be the principal feed grain produced in the
12 county, multiplied by the normal yield for such feed grain as
13 defined in section 360h (a). Until the producers on any
14 farm pay the penalty on such crop, the entire crop of feed
15 grains produced on the farm and any subsequent crop of
16 feed grains subject to marketing quotas in which the pro-
17 ducer has an interest shall be subject to a lien in favor of
18 the United States for the amount of the penalty. Each
19 producer having an interest in the crop or crops on acreage
20 diverted or required to be diverted from the production of
21 feed grains shall be jointly and severally liable for the entire
22 amount of the penalty. The Secretary may require the
23 penalty on the production of crops on the diverted acreage
24 to be collected by the purchaser of feed grains produced on
25 the farm. The persons liable for the payment or collection

1 of the penalty under this section shall be liable also for in-
2 terest thereon at the rate of 6 per centum per annum from
3 the date the penalty becomes due until the date of payment
4 of such penalty.

5 “(2) The Secretary may require that the acreage on
6 any farm diverted from the production of feed grains be land
7 which was diverted from the production of feed grains in the
8 previous year, to the extent he determines that such require-
9 ment is necessary to effectuate the purposes of this subtitle.

10 “(3) The Secretary may permit the diverted acreage to
11 be grazed in accordance with regulations prescribed by the
12 Secretary.

13 “(b) The Secretary is authorized to formulate and
14 carry out a program with respect to the 1963, 1964, and 1965
15 crops of feed grains under which, subject to such terms and
16 conditions as he determines are desirable to effectuate the
17 purposes of this section, payments may be made in amounts
18 determined by the Secretary to be fair and reasonable to
19 producers with respect to acreage diverted pursuant to sub-
20 section (a) of this section. The Secretary may permit the
21 producers on the farm to divert from the production of feed
22 grains an acreage, in addition to the acreage diverted pur-
23 suant to subsection (a), equal to 20 per centum of the
24 farm acreage allotment for feed grains: *Provided*, That the
25 producers on any farm may, at their election, divert such

1 acreage, in addition to the acreage diverted pursuant to sub-
2 section (a), as will bring the total acreage diverted on the
3 farm to twenty acres. Such program shall require (1) that
4 the diverted acreage shall be devoted to conservation uses
5 approved by the Secretary; (2) that the total acreage of
6 cropland on the farm devoted to soil-conserving uses, includ-
7 ing summer fallow and idle land but excluding the acreage
8 diverted as provided above and acreage diverted under the
9 land-use provisions for wheat pursuant to section 339, shall
10 not be less than the total average acreage of cropland devoted
11 to soil-conserving uses including summer fallow and idle land
12 on the farm during the base period used in determining the
13 farm acreage allotment adjusted to the extent the Secretary
14 determines appropriate for (i) abnormal weather conditions
15 or other factors affecting production, (ii) established crop-
16 rotation practices on the farm, (iii) participation in other
17 Federal farm programs, (iv) unusually high percentage of
18 land on the farm devoted to conserving uses, and (v) for
19 other factors which the Secretary determines should be con-
20 sidered for the purpose of establishing a fair and equitable
21 soil-conserving acreage for the farm; and (3) that the pro-
22 ducers shall not knowingly exceed (i) any farm acreage
23 allotment in effect for any commodity produced on the farm,
24 and (ii) except as the Secretary may by regulation prescribe,
25 the farm acreage allotments on any other farm for any crop

1 in which the producer has a share: *Provided*, That no pro-
2 ducer shall be deemed to have exceeded a farm acreage allot-
3 ment for wheat if the entire amount of the farm marketing
4 excess of wheat is delivered to the Secretary or stored in
5 accordance with applicable regulations to avoid or postpone
6 payment of the penalty. The producer on any farm for which
7 a farm acreage allotment is established pursuant to section
8 360d (c) (2) (C) shall not be eligible for payments here-
9 under. The Secretary shall provide for the sharing of pay-
10 ment among producers on the farm on a fair and equitable
11 basis. Payments may be made in cash or in feed grains.

12 “(c) The Secretary may provide for adjusting any
13 payment on account of failure to comply with the terms
14 and conditions of the program formulated under subsection
15 (b) of this section.

16 “(d) Not to exceed 50 per centum of any payment to
17 producers under subsection (b) of this section may be
18 made in advance of determination of performance.

19 “(e) The program formulated pursuant to subsection
20 (b) of this section may include such terms and conditions,
21 in addition to those specifically provided for herein, as the
22 Secretary determines are desirable to effectuate the purposes
23 of this section.

24 “(f) The Secretary is authorized to promulgate such

1 regulations as may be desirable to carry out the provisions
2 of this section.

3 “(g) The Commodity Credit Corporation is authorized
4 to utilize its capital funds and other assets for the purpose
5 of making the payments authorized in this section and to
6 pay administrative expenses necessary in carrying out this
7 section during the period ending June 30, 1963. There is
8 authorized to be appropriated such amounts as may be
9 necessary thereafter to pay such administrative expenses.

10 “(h) Notwithstanding any other provision of law, per-
11 formance rendered in good faith in reliance upon action or
12 advice of an authorized representative of the Secretary may
13 be accepted as meeting the requirements of this section, or
14 of subsections (c) and (d) of section 16 of the Soil Conser-
15 vation and Domestic Allotment Act, as amended, and pay-
16 ment may be made therefor in accordance with such action
17 or advice to the extent the Secretary deems it desirable in
18 order to provide fair and equitable treatment.”

19 SEC. 402. Section 2 of the Agricultural Adjustment Act
20 of 1938, as amended, is hereby amended by striking out
21 “and” immediately following the last semicolon, by changing
22 the period at the end thereof to a semicolon, and by adding
23 immediately following such new semicolon the following:
24 “and to reduce the annual carryover of feed grains, to stabi-
25 lize the supply of feed grains at a level consistent with any

1 national policy with respect to commodity reserves, and to
2 provide for an adequate and balanced flow of feed grains
3 so that the prices of feed grains are fair to producers and
4 consumers and the total supply of feed grains available for
5 utilization for livestock feed is maintained at a level which
6 is consistent with the production of the quantities of livestock
7 and the products thereof that will be consumed and exported
8 at prices which are fair to producers and consumers.”

9 SEC. 403. Section 301 of the Agricultural Adjustment
10 Act of 1938, as amended, is hereby amended as follows:

11 (1) Subsection (a) is amended by adding at the
12 end thereof the following new items:

13 “(10) The term ‘feed grains’ means corn, oats,
14 grain sorghums, and barley. The term ‘feed grains’
15 shall also include rye if the Secretary designates such
16 commodity.

17 “(11) The term ‘acreage of feed grains’ means
18 acreage of feed grains planted for harvest (including
19 self-seeded feed grains).

20 “(12) The term ‘crop’ as applied to ‘feed grains’
21 means all of the crops of the agricultural commodities
22 which comprise feed grains and which are produced for
23 harvest in the same calendar year.”

24 (2) Subsection (b) (6) (A) is amended to read
25 as follows:

1 “(6) (A) ‘Market’, in the case of cotton, rice, to-
 2 bacco, wheat, and feed grains, means to dispose of, in
 3 raw or processed form, by voluntary or involuntary sale,
 4 barter, or exchange, or by gift inter vivos, and, in the
 5 case of wheat and feed grains, by feeding (in any form)
 6 to poultry or livestock which, or the products of which,
 7 are sold, bartered, or exchanged, or to be so disposed of.”

8 (3) Subsection (b) (7) is amended to read as
 9 follows:

10 “(7) ‘Marketing year’ means, in the case of the
 11 following commodities, the period beginning on the first
 12 and ending with the second date specified below:

13 “Barley, July 1–June 30;

14 “Corn, October 1–September 30;

15 “Cotton, August 1–July 31;

16 “Oats, July 1–June 30;

17 “Grain sorghums, July 1–June 30;

18 “Peanuts, August 1–July 31;

19 “Rice, August 1–July 31;

20 “Rye, July 1–June 30;

21 “Tobacco (flue-cured), July 1–June 30;

22 “Tobacco (other than flue-cured), October 1–
 23 September 30;

24 “Wheat, July 1–June 30.

25 “‘Marketing year’ means, in the case of ‘feed grains’,

1 the marketing years for the agricultural commodities
2 comprising the feed grains.”

3 SEC. 404. Sections 361, 362, and 363 of the Agricul-
4 tural Adjustment Act of 1938, as amended, are hereby
5 amended as follows:

6 (1) Section 361 is amended by adding “feed
7 grains,” after “wheat,” and by changing the period at
8 the end of the section to a comma and adding the follow-
9 ing: “and to the review of land-use penalties assessed
10 pursuant to sections 339 and 360j.”

11 (2) Section 362 is amended by adding at the end
12 thereof the following: “Notice of the land-use penalty
13 assessed pursuant to section 339 or 360j shall be mailed
14 to the farmer.”

15 (3) Section 363 is amended by adding “or land-
16 use penalty” after the word “quota” wherever it appears
17 in such section.

18 SEC. 405. Section 372 of the Agricultural Adjustment
19 Act of 1938, as amended, is hereby amended by adding
20 “feed grains,” after “wheat,” in subsection (a) thereof.

21 SEC. 406. Sections 373, 374, and 375 of the Agricul-
22 tural Adjustment Act of 1938, as amended, are hereby
23 amended by deleting “corn” wherever it appears and by
24 substituting in lieu thereof “feed grains”; and subsection (b)
25 of section 375 of the Agricultural Adjustment Act of 1938,

1 as amended, is further amended by striking out the period at
2 the end of the sentence and inserting at the end thereof the
3 following: "or to effectuate the provisions thereof."

4 SEC. 407. Section 385 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by inserting
6 in the first sentence after "Soil Conservation Act payment,"
7 the following: "payment under section 360j,".

8 SEC. 408. The amendments to the Agricultural Adjust-
9 ment Act of 1938, as amended, made by sections 401 through
10 407 of this Act shall be in effect only with respect to pro-
11 grams applicable to crops planted for harvest in the cal-
12 endar year 1963 or any subsequent year and to the mar-
13 keting years beginning in the calendar year 1963 or any sub-
14 sequent year.

15 SEC. 409. The Agricultural Act of 1949, as amended,
16 is amended as follows:

17 (1) By amending section 105 by deleting subsec-
18 tions (a) and (b) and substituting the following:

19 "(a) Notwithstanding the provisions of section 101 of
20 this Act, beginning with the 1963 crop—

21 "(1) price support for each crop of corn shall be
22 made available at such level not less than 65 per
23 centum or more than 90 per centum of the parity
24 price therefor as the Secretary determines appropriate
25 after consideration of (i) the factors specified in

1 section 401 (b) of this Act, (ii) the supplies of feed
2 grains that would be available during the marketing
3 year at prices approximating the support prices of feed
4 grains, and (iii) consumption goals during the market-
5 ing year for livestock and livestock products, taking into
6 consideration consumption under special governmental
7 programs, and imports and exports of livestock and live-
8 stock products.

9 “(2) price support for each crop of barley, grain
10 sorghums, oats, and rye, respectively, shall be at such
11 level as the Secretary determines is fair and reasonable
12 in relation to the level at which price support is made
13 available for corn, taking into consideration the feeding
14 value of such feed grain in relation to corn and the
15 other factors specified in section 401 (b) of this Act.

16 “(3) if marketing quotas are in effect for the crop
17 of any feed grain, (i) price support for such crop shall
18 be made available only to cooperators, and (ii) if a
19 commercial feed grain-producing area is established for
20 such crop, price support shall be made available only
21 in the commercial feed grain-producing area.

22 “(4) no price support shall be made available for
23 any crop of a feed grain for which a marketing quota
24 is not in effect because of disapproval by producers, and

25 “(5) a ‘cooperator’ with respect to any crop of feed

1 grains produced on a farm shall be a producer who (i)
2 does not knowingly exceed (A) the farm acreage allot-
3 ment for feed grains or any other commodity on the farm
4 or (B) except as the Secretary may by regulation pre-
5 scribe, the farm acreage allotment on any other farm for
6 any commodity in which he has an interest as a producer,
7 and (ii) complies with the land-use requirements of
8 section 360j of the Agricultural Adjustment Act of 1938,
9 as amended, to the extent prescribed by the Secretary.
10 No producer shall be deemed to have exceeded a farm
11 acreage allotment for wheat if the entire amount of the
12 farm marketing excess of wheat is delivered to the
13 Secretary or stored in accordance with applicable regu-
14 lations to avoid or postpone payment of the penalty, but
15 the producer shall not be eligible to receive price support
16 on such farm marketing excess."

17 (2) By amending section 105 by redesignating
18 subsection (c) thereof as subsection (b).

19 (3) By amending section 401 by inserting after
20 the comma before "(2)" the following: "(2) the in-
21 come needed to provide a farm operator and his family
22 with a return for his labor and investment equal to the
23 return earned by comparable resources in other occupa-
24 tions", and by renumbering (2), (3), (4), (5), (6),

(7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: “Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation is authorized to sell for unrestricted use from its stocks at market prices during such marketing year up to ten million tons, or the equivalent in bushels, of feed grains, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation is authorized to sell for unrestricted use from its stocks at market prices during the marketing year up to two hundred million bushels of wheat.”

SUBTITLE B—WHEAT

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

“Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and

1 foreign commerce and may also affect the supply and price
2 of livestock and livestock products. In the circumstances,
3 wheat not disposed of prior to such date must be considered
4 in the same manner as mechanically harvested wheat in order
5 to achieve the policy of the Act.

6 “The diversion of substantial acreages from wheat to
7 the production of commodities which are in surplus supply or
8 which will be in surplus supply if they are permitted to be
9 grown on the diverted acreage would burden, obstruct, and
10 adversely affect interstate and foreign commerce in such
11 commodities, and would adversely affect the prices of such
12 commodities in interstate and foreign commerce. Small
13 changes in the supply of a commodity could create a sufficient
14 surplus to affect seriously the price of such commodity in
15 interstate and foreign commerce. Large changes in the sup-
16 ply of such commodity could have a more acute effect on the
17 price of the commodity in interstate and foreign commerce
18 and, also, could overtax the handling, processing, and trans-
19 portation facilities through which the flow of interstate and
20 foreign commerce in such commodity is directed. Such ad-
21 verse effects caused by overproduction in one year could
22 further result in a deficient supply of the commodity in the
23 succeeding year, causing excessive increases in the price of
24 the commodity in interstate and foreign commerce in such
25 year. It is, therefore, necessary to prevent acreage diverted

1 from the production of wheat to be used to produce commodi-
2 ties which are in surplus supply or which will be in surplus
3 supply if they are permitted to be grown on the diverted
4 acreage.

5 “The provisions of this part affording a cooperative
6 plan to wheat producers are necessary in order to mini-
7 mize recurring surpluses and shortages of wheat in inter-
8 state and foreign commerce, to provide for the maintenance of
9 adequate reserve supplies thereof, to provide for an adequate
10 and orderly flow of wheat and its products in interstate and
11 foreign commerce at prices which are fair and reasonable
12 to farmers and consumers, and to prevent acreage diverted
13 from the production of wheat from adversely affecting other
14 commodities in interstate and foreign commerce.”

15 SEC. 411. Section 332 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby amended by striking out
17 the provisions of such section and by inserting in lieu thereof
18 the following:

19 “NATIONAL MARKETING QUOTA

20 “SEC. 332. (a) Whenever prior to May 15 in any cal-
21 endar year the Secretary determines that the total supply of
22 wheat in the marketing year beginning in the next succeed-
23 ing calendar year will, in the absence of a marketing quota
24 program, likely be excessive, the Secretary shall proclaim
25 that a national marketing quota for wheat shall be in effect for

1 such marketing year and for either the following marketing
2 year or the following two marketing years, if the Secretary
3 determines and declares in such proclamation that a two-
4 or three-year marketing quota program is necessary to effec-
5 tuate the policy of the Act.

6 “(b) If a national marketing quota for wheat has been
7 proclaimed for any marketing year, the Secretary shall
8 determine and proclaim the amount of the national market-
9 ing quota for such marketing year not earlier than January 1
10 or later than May 15 of the calendar year preceding the year
11 in which such marketing year begins. The amount of the
12 national marketing quota for wheat for any marketing year
13 shall be an amount of wheat which the Secretary estimates
14 (i) will be utilized during such marketing year for human
15 consumption in the United States as food, food products, and
16 beverages, composed wholly or partly of wheat, (ii) will
17 be utilized during such marketing year in the United States
18 for seed, (iii) will be exported either in the form of wheat or
19 products thereof, and (iv) as the average amount which was
20 utilized as livestock (including poultry) feed in the marketing
21 years beginning in 1959 and 1960; less (i) an amount of
22 wheat equal to the estimated imports of wheat into the
23 United States during such marketing year and, (ii) if the
24 stocks of wheat owned by the Commodity Credit Corpora-
25 tion are determined by the Secretary to be excessive, an

1 amount of wheat determined by the Secretary to be a desir-
2 able reduction in such marketing year in such stocks to
3 achieve the policy of the Act: *Provided*, That if the Secre-
4 tary determines that the total stocks of wheat in the Nation
5 are insufficient to assure an adequate carryover for the next
6 succeeding marketing year, the national marketing quota
7 otherwise determined shall be increased by the amount the
8 Secretary determines to be necessary to assure an adequate
9 carryover.

10 “(c) If, after the proclamation of a national marketing
11 quota for wheat for any marketing year, the Secretary has
12 reason to believe that, because of a national emergency or
13 because of a material increase in the demand for wheat, the
14 national marketing quota should be terminated or the amount
15 thereof increased, he shall cause an immediate investigation
16 to be made to determine whether such action is necessary
17 in order to meet such emergency or increase in the demand
18 for wheat. If, on the basis of such investigation, the Secre-
19 tary finds that such action is necessary, he shall immediately
20 proclaim such finding and the amount of any such increase
21 found by him to be necessary and thereupon such national
22 marketing quota shall be so increased or terminated. In case
23 any national marketing quota is increased under this sub-
24 section, the Secretary shall provide for such increase by

1 increasing acreage allotments established under this part by a
2 uniform percentage."

3 SEC. 412. Section 333 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended to read as fol-
5 lows:

6 "NATIONAL ACREAGE ALLOTMENT

7 "SEC. 333. Whenever the amount of the national
8 marketing quota for wheat is proclaimed for any marketing
9 year, the Secretary at the same time shall proclaim a na-
10 tional acreage allotment for the crop of wheat planted for
11 harvest in the calendar year in which such marketing year
12 begins. The amount of the national acreage allotment for
13 any crop of wheat shall be the number of acres which the
14 Secretary determines on the basis of expected yields and
15 expected underplantings of farm acreage allotments will,
16 together with (1) the expected production of wheat in
17 the noncommercial area, if any, and (2) the expected pro-
18 duction on increased acreages resulting from the small-farm
19 exemption pursuant to section 335, make available a supply
20 of wheat equal to the national marketing quota for wheat
21 for such marketing year."

22 SEC. 413. Section 334 of the Agricultural Adjustment
23 Act of 1938, as amended, is further amended as follows:

24 (1) By striking out "ten" wherever it appears in

1 subsections (a) and (b) thereof and by inserting in
2 lieu thereof "five".

3 (2) By amending subsection (e) thereof by in-
4 serting the following sentence immediately following
5 the eighth sentence thereof: "The land-use provisions
6 of section 339 shall not be applicable to any farm re-
7 ceiving an increased allotment under this subsection, and
8 the producers on such farm shall not be required to
9 comply with such provisions as a condition of eligibility
10 for price support."

11 (3) By repealing subsection (g) thereof and by
12 redesignating subsections (h) and (i) thereof as (g)
13 and (h) respectively.

14 (4) By amending subsection (i) thereof, redesign-
15 ated by this section as subsection (h), by inserting the
16 following sentence immediately following the seventh
17 sentence thereof: "The land-use provisions of section 339
18 shall not be applicable to any farm receiving an addi-
19 tional allotment under this subsection."

20 (5) By striking out of the last sentence of sub-
21 section (i) thereof (added by Public Law 87-357, 87th
22 Congress, 1st session), redesignated by this section as
23 subsection (h), "or 1963".

24 SEC. 414. Part III of subtitle B of title III of the Agri-

1 cultural Adjustment Act of 1938, as amended, is hereby
2 amended by adding immediately after section 334 thereof
3 the following:

4 "COMMERCIAL AREA

5 "SEC. 334a. If the acreage allotment for any State for
6 any crop of wheat is twenty-five thousand acres or less, the
7 Secretary, in order to promote efficient administration of this
8 Act and the Agricultural Act of 1949, may designate such
9 State as outside the commercial wheat-producing area for
10 the marketing year for such crop. If such State is so desig-
11 nated, acreage allotments for such crop and marketing quotas
12 for the marketing year therefor shall not be applicable to any
13 farm in such State. Acreage allotments in any State shall
14 not be increased by reason of such designation. The national
15 acreage allotment for any crop of wheat shall be apportioned
16 by the Secretary among the States, counties, and farms in
17 the commercial wheat-producing area on the basis of the
18 provisions of section 334."

19 SEC. 415. Section 335 of the Agricultural Adjustment
20 Act of 1938, as amended, is hereby amended to read as
21 follows:

22 "SMALL FARM EXEMPTION

23 "SEC. 335. Notwithstanding any other provision of this
24 part, no farm marketing quota for any crop of wheat shall
25 be applicable to any farm with a base of fifteen acres or less

(hereinafter called 'small-farm base acreage') if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1960 and 1961, or such later two-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the small-farm base acreage determined for the farm, if the acreage of such crop exceeds such base acreage, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm, and (v) the producers on the farm shall not be

1 eligible to vote in any referendum held with respect to a
2 marketing quota program applicable to such crop of wheat.”

3 SEC. 416. Section 336 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended to read as
5 follows:

6 “REFERENDUM

7 “SEC. 336. If a national marketing quota for wheat for
8 one, two, or three marketing years is proclaimed, the Secre-
9 tary shall, not later than sixty days after such proclamation
10 is published in the Federal Register, conduct a referendum,
11 by secret ballot, of farmers to determine whether they favor
12 or oppose marketing quotas for the marketing year or years
13 for which proclaimed. Any producer who has a farm acre-
14 age allotment shall be eligible to vote in any referendum
15 held pursuant to this section, except a producer who has a
16 small-farm base acreage for such crop of wheat and who
17 does not elect, pursuant to section 335, to be subject to the
18 farm marketing quota. The Secretary shall proclaim the re-
19 sults of any referendum held hereunder within thirty days
20 after the date of such referendum, and if the Secretary de-
21 termines that more than one-third of the farmers voting in
22 the referendum voted against marketing quotas, the Secre-
23 tary shall proclaim that marketing quotas will not be in effect
24 with respect to the crop of wheat produced for harvest in
25 the calendar year following the calendar year in which the

1 referendum is held. If the Secretary determines that two-
2 thirds or more of the farmers voting in a referendum approve
3 marketing quotas for a period of two or three marketing
4 years, no referendum shall be held for the subsequent year or
5 years of such period.”

6 SEC. 417. Section 337 of the Agricultural Adjustment
7 Act of 1938, as amended, is hereby amended by deleting
8 the provisions thereof and substituting the following:

9 “SUBSTITUTION OF FEED GRAINS FOR WHEAT

10 “SEC. 337. Notwithstanding any other provision of law,
11 the Secretary may permit producers of feed grains to have
12 acreage devoted to the production of feed grains considered
13 as devoted to the production of wheat to such extent and
14 subject to such terms and conditions as the Secretary deter-
15 mines will not impair the effective operation of this sub-
16 title B.”

17 SEC. 418. The Agricultural Adjustment Act of 1938,
18 as amended, is hereby amended by adding after section 338 a
19 new section as follows:

20 “LAND USE

21 “SEC. 339. (a) (1) During any year in which market-
22 ing quotas for wheat are in effect, the producers on any farm
23 (except a new farm receiving an allotment from the reserve
24 for new farms) on which any crop is produced on acreage
25 required to be diverted from the production of wheat shall

1 be subject to a penalty on such crop, in addition to any
2 marketing quota penalty applicable to such crops, as pro-
3 vided in this subsection unless (i) the crop is designated by
4 the Secretary as one which is not in surplus supply and will
5 not be in surplus supply if it is permitted to be grown on the
6 diverted acreage, or as one the production of which will not
7 substantially impair the purpose of the requirements of this
8 section, or (2) no wheat is produced on the farm, and the
9 producers have not filed an agreement or a statement of
10 intention to participate in the payment program formulated
11 pursuant to subsection (b) of this section. The acreage
12 required to be diverted from the production of wheat on the
13 farm shall be an acreage of cropland equal to the number
14 of acres determined by multiplying the farm acreage allot-
15 ment by the diversion factor determined by dividing the
16 number of acres by which the national acreage allotment is
17 reduced below fifty-five million acres by the number of acres
18 in the national acreage allotment. The actual production of
19 any crop subject to penalty under this subsection shall be
20 regarded as available for marketing and the penalty on such
21 crop shall be computed on the actual acreage of such crop
22 at the rate of 65 per centum of the parity price per bushel
23 of wheat as of May 1 of the calendar year in which such
24 crop is harvested, multiplied by the normal yield of wheat
25 per acre established for the farm. Until the producers on

1 any farm pay the penalty on such crop, the entire crop of
2 wheat produced on the farm and any subsequent crop of
3 wheat subject to marketing quotas in which the producer
4 has an interest shall be subject to a lien in favor of the United
5 States for the amount of the penalty. Each producer having
6 an interest in the crop or crops on acreage diverted or
7 required to be diverted from the production of wheat shall
8 be jointly and severally liable for the entire amount of the
9 penalty. The persons liable for the payment or collection of
10 the penalty under this section shall be liable also for interest
11 thereon at the rate of 6 per centum per annum from the date
12 the penalty becomes due until the date of payment of such
13 penalty.

14 “(2) The Secretary may require that the acreage on
15 any farm diverted from the production of wheat be land
16 which was diverted from the production of wheat in the
17 previous year, to the extent he determines that such require-
18 ment is necessary to effectuate the purposes of this subtitle.

19 “(3) The Secretary may permit the diverted acreage
20 to be grazed in accordance with regulations prescribed by
21 the Secretary.

22 “(b) The Secretary is authorized to formulate and carry
23 out a program with respect to the 1963, 1964, and 1965
24 crops of wheat under which, subject to such terms and con-
25 ditions as he determines are desirable to effectuate the pur-

1 poses of this section, payments may be made in amounts
2 determined by the Secretary to be fair and reasonable with
3 respect to acreage diverted pursuant to subsection (a) of this
4 section. The Secretary may permit producers on any farm
5 to divert from the production of wheat an acreage, in addi-
6 tion to the acreage diverted pursuant to subsection (a),
7 equal to 20 per centum of the farm acreage allotment for
8 wheat: *Provided*, That the producers on any farm may, at
9 their election, divert such acreage in addition to the acreage
10 diverted pursuant to subsection (a), as will bring the total
11 acreage diverted on the farm to fifteen acres. Such program
12 shall require (1) that the diverted acreage shall be devoted to
13 conservation uses approved by the Secretary; (2) that the
14 total acreage of cropland on the farm devoted to soil-
15 conserving uses, including summer fallow and idle land but
16 excluding the acreage diverted as provided above, and acre-
17 age diverted under the land-use provisions for feed grains
18 pursuant to section 360j, shall be not less than the total
19 average acreage of cropland devoted to soil-conserving uses
20 including summer fallow and idle land on the farm during
21 a representative period, as determined by the Secretary,
22 adjusted to the extent the Secretary determines appropriate
23 for (i) abnormal weather conditions or other factors affecting
24 production, (ii) established crop-rotation practices on the
25 farm, (iii) participation in other Federal farm programs,

1 (iv) unusually high percentage of land on the farm devoted
2 to conserving uses, and (v) other factors which the Secre-
3 tary determines should be considered for the purpose of
4 establishing a fair and equitable soil-conserving acreage for
5 the farm; and (3) that the producer shall not knowingly
6 exceed (i) any farm acreage allotment in effect for any
7 commodity produced on the farm, and (ii) except as the
8 Secretary may by regulations prescribe, with the farm acre-
9 age allotments on any other farm for any crop in which the
10 producer has a share: *Provided*, That no producer shall be
11 deemed to have exceeded a farm acreage allotment for wheat
12 if the entire amount of the farm marketing excess is delivered
13 to the Secretary or stored in accordance with applicable
14 regulations to avoid or postpone payment of the penalty.
15 The producers on a new farm shall not be eligible for pay-
16 ments hereunder. The Secretary shall provide for the
17 sharing of payment among producers on the farm on a fair
18 and equitable basis. Payments may be made in cash or in
19 wheat.

20 “(c) The Secretary may provide for adjusting any pay-
21 ment on account of failure to comply with the terms and
22 conditions of the land-use program formulated under sub-
23 section (b) of this section.

24 “(d) Not to exceed 50 per centum of any payment to

1 producers under subsection (b) of this section may be made
2 in advance of determination of performance.

3 “(e) The program formulated pursuant to subsection
4 (b) of this section may include such terms and conditions,
5 in addition to those specifically provided for herein, as the
6 Secretary determines are desirable to effectuate the purposes
7 of this section.

8 “(f) The Secretary is authorized to promulgate such
9 regulations as may be desirable to carry out the provisions of
10 this section.

11 “(g) The Commodity Credit Corporation is authorized
12 to utilize its capital funds and other assets for the purpose of
13 making the payments authorized in this section and to pay
14 administrative expenses necessary in carrying out this sec-
15 tion during the period ending June 30, 1963. There is
16 authorized to be appropriated such amounts as may be
17 necessary thereafter to pay such administrative expenses.

18 “(h) Notwithstanding any other provision of law, per-
19 formance rendered in good faith in reliance upon action or
20 advice of an authorized representative of the Secretary may
21 be accepted as meeting the requirements of this section, or of
22 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
23 298), and payment may be made therefor in accordance with
24 such action or advice to the extent the Secretary deems it
25 desirable in order to provide fair and equitable treatment.”

1 SEC. 419. Public Law 74, Seventy-seventh Congress (7
2 U.S.C. 1340), as amended, is hereby amended as follows:

3 (1) By amending paragraph (1) to read as fol-
4 lows:

5 “(1) The farm marketing quota for any crop of
6 wheat shall be the actual production of the acreage
7 planted to such crop of wheat on the farm less the farm
8 marketing excess. The farm marketing excess shall be
9 an amount equal to twice the normal yield of wheat per
10 acre established for the farm multiplied by the number
11 of acres of such crop of wheat on the farm in excess of
12 the farm acreage allotment for such crop unless the pro-
13 ducer, in accordance with regulations issued by the Sec-
14 retary and within the time prescribed therein, establishes
15 to the satisfaction of the Secretary the actual production
16 of such crop of wheat on the farm. If such actual pro-
17 duction is so established, the farm marketing excess shall
18 be an amount equal to the actual production of the num-
19 ber of acres of wheat on the farm in excess of the farm
20 acreage allotment for such crop. In determining the
21 farm marketing quota and farm marketing excess, (1)
22 any acreage of wheat remaining after the date prescribed
23 by the Secretary for the disposal of excess acres of wheat
24 shall be included as acreage of wheat on the farm, and

1 the production thereof shall be appraised in such manner
2 as the Secretary determines will provide a reasonably
3 accurate estimate of such production, and (2) any acre-
4 age of any crop of wheat classified as feed grain acreage
5 pursuant to section 360i of this Act shall not be consid-
6 ered to be acreage planted to wheat. Any acreage of
7 wheat disposed of in accordance with regulations issued
8 by the Secretary prior to such date as may be pre-
9 scribed by the Secretary shall be excluded in determin-
10 ing the farm marketing quota and farm marketing excess.
11 Self-seeded (volunteer) wheat shall be included in de-
12 termining the acreage of wheat. Marketing quotas for
13 any marketing year shall be in effect with respect to
14 wheat harvested in the calendar year in which such mar-
15 keting year begins notwithstanding that the wheat is
16 marketed prior to the beginning of such marketing
17 year.”

18 (2) By amending paragraph (2) to read as fol-
19 lows:

20 “(2) Whenever farm marketing quotas are in effect
21 with respect to any crop of wheat, the producers on a
22 farm shall be subject to a penalty on the farm marketing
23 excess of wheat at a rate per bushel equal to 65
24 per centum of the parity price per bushel of wheat as of
25 May 1 of the calendar year in which the crop is har-

1 vested. Each producer having an interest in the crop
2 of wheat on any farm for which a farm marketing excess
3 of wheat is determined shall be jointly and severally
4 liable for the entire amount of the penalty on the farm
5 marketing excess."

6 (3) By inserting in paragraph (3) "twice" before
7 "the normal production" in the first and second sentences
8 thereof, and by inserting in the second sentence thereof
9 "twice the" between "of" and "normal" in the phrase
10 "upon the basis of normal production".

11 (4) By amending paragraph (4) to read as fol-
12 lows:

13 " (4) Until the producers on any farm store, deliver
14 to the Secretary, or pay the penalty on, the farm mar-
15 keting excess of any crop of wheat, the entire crop of
16 wheat produced on the farm and any subsequent crop of
17 wheat subject to marketing quotas in which the producer
18 has an interest shall be subject to a lien in favor of the
19 United States for the amount of the penalty."

20 (5) By striking out "corn or" from paragraph (5).

21 (6) By striking out "corn or" from paragraph (6).

22 (7) By repealing paragraph (7), and by renum-
23 bering paragraphs (8) through (11) as (7) through
24 (10), respectively.

25 (8) By striking out "corn or" and "as the case

1 may be” from paragraph (8), redesignated by this
2 section as paragraph (7), and adding at the end of
3 such paragraph the following sentence:

4 “If the buyer fails to collect such penalty, such
5 buyer and all persons entitled to share in the wheat
6 marketed from the farm or the proceeds thereof shall
7 be jointly and severally liable for such penalty.”

8 (9) By repealing paragraph (12), and by adding
9 the following new paragraphs to follow paragraph (11),
10 redesignated by this section as paragraph (10):

11 “(11) The persons liable for the payment or col-
12 lection of the penalty on any amount of wheat shall
13 be liable also for interest thereon at the rate of 6 per
14 centum per annum from the date the penalty becomes
15 due until the date of payment of such penalty.

16 “(12) If marketing quotas for wheat are not in
17 effect for any marketing year, all previous marketing
18 quotas applicable to wheat shall be terminated, effective
19 as of the first day of such marketing year. Such termi-
20 nation shall not abate any penalty previously incurred
21 by a producer or relieve any buyer of the duty to remit
22 penalties previously collected by him.”

SEC. 420. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act".

SEC. 421. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 422. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 410 through 421 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963 or any subsequent year.

WHEAT MARKETING ALLOCATION PROGRAM

SEC. 423. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating

1 subtitles D and E as subtitles E and F, respectively, and (2)
 2 by inserting after subtitle C a new subtitle D as follows:

3 "SUBTITLE D—WHEAT MARKETING ALLOCATION

4 "LEGISLATIVE FINDINGS

5 "SEC. 379a. Wheat, in addition to being a basic food,
 6 is one of the great export crops of American agriculture and
 7 its production for domestic consumption and for export is
 8 necessary to the maintenance of a sound national economy
 9 and to the general welfare. The movement of wheat from
 10 producer to consumer, in the form of the commodity or any
 11 of the products thereof, is preponderantly in interstate and
 12 foreign commerce. Unreasonably low prices of wheat to
 13 producers impair their purchasing power for nonagricultural
 14 products and place them in a position of serious disparity
 15 with other industrial groups. The conditions affecting the
 16 production of wheat are such that without Federal assist-
 17 ance, producers cannot effectively prevent disastrously low
 18 prices for wheat. It is necessary, in order to assist wheat
 19 producers in obtaining fair prices, to regulate the price of
 20 wheat used for domestic food and for exports in the manner
 21 provided in this subtitle.

22 "WHEAT MARKETING ALLOCATION

23 "SEC. 379b. During any marketing year for which a
 24 marketing quota is in effect for wheat, beginning with the
 25 marketing year for the 1963 crop, a wheat marketing allo-

1 cation program shall be in effect as provided in this subtitle,
2 Whenever a wheat marketing allocation program is in effect
3 for any marketing year the Secretary shall determine (1)
4 the domestic component of the wheat marketing allocation
5 which shall be the amount of wheat which will be used dur-
6 ing the marketing year for human consumption in the United
7 States, less such portion not to exceed 50 per centum as the
8 Secretary determines of the amount established pursuant to
9 section 332 of this Act to be the desirable reduction during
10 such marketing year in stocks of wheat owned by Commod-
11 ity Credit Corporation, and (2) the export component of
12 the wheat marketing allocation which shall be the portion of
13 exports during the marketing year on which marketing cer-
14 tificates shall be issued to producers in order to achieve, inso-
15 far as practicable, the price and income objectives of this sub-
16 title, and (3) the national allocation percentage which shall
17 be the percentage which the national marketing allocation
18 (the sum of the domestic component and the export com-
19 ponent) is of the estimated production of wheat during the
20 calendar year in which such marketing year begins. Each
21 farm shall receive a wheat marketing allocation for such
22 marketing year equal to the number of bushels obtained by
23 multiplying the number of acres in the farm acreage allot-
24 ment for wheat by the estimated yield of wheat for the farm
25 as determined by the Secretary, and multiplying the result-

1 ing number of bushels by the national allocation percentage.
2 If a noncommercial wheat-producing area is established for
3 any marketing year, farms in such area shall be given wheat
4 marketing allocations which are determined by the Secre-
5 tary to be fair and reasonable in relation to the wheat mar-
6 keting allocation given producers in the commercial wheat-
7 producing area.

8 "MARKETING CERTIFICATES

9 "SEC. 379c. (a) The Secretary shall provide for the is-
10 suance of wheat marketing certificates for each marketing
11 year for which a wheat marketing allocation program is in
12 effect for the purpose of enabling producers on any farm with
13 respect to which certificates are issued to receive, in addition
14 to the other proceeds from the sale of wheat, an amount equal
15 to the value of such certificates. The wheat marketing cer-
16 tificates issued with respect to any farm for any marketing
17 year shall be in the amount of the farm wheat marketing
18 allocation for such year, but not to exceed (i) the actual
19 acreage of wheat planted on the farm for harvest in the
20 calendar year in which the marketing year begins multiplied
21 by the estimated yield of wheat for the farm, plus (ii) the
22 amount of wheat stored to avoid or postpone a marketing
23 quota penalty, which is released from storage during the
24 marketing year on account of underplanting or underproduc-
25 tion. The marketing certificates issued with respect to any

1 farm shall be divided between export certificates and domes-
2 tic certificates in the same proportion as the national wheat
3 marketing allocation is divided between the domestic com-
4 ponent and the export component of such allocation. The
5 Secretary shall provide for the sharing of wheat marketing
6 certificates among producers on the farm on the basis of their
7 respective shares in the wheat crop produced on the farm
8 or the proceeds therefrom.

9 “(b) No producer shall be eligible to receive wheat
10 marketing certificates with respect to any farm for any
11 marketing year in which a marketing quota penalty is
12 assessed for any commodity on such farm or in which the
13 farm has not complied with the land-use requirements of
14 section 339 to the extent prescribed by the Secretary, or in
15 which, except as the Secretary may by regulation prescribe,
16 the producer exceeds the farm acreage allotment on any
17 other farm for any commodity in which he has an interest
18 as a producer. No producer shall be deemed to have ex-
19 ceeded a farm acreage allotment for wheat if the entire
20 amount of the farm marketing excess is delivered to the
21 Secretary or stored in accordance with applicable regulations
22 to avoid or postpone payment of the penalty.

23 “(c) Whenever a wheat marketing allocation program
24 is in effect for any marketing year, the Secretary shall
25 determine and proclaim for such marketing year the face

1 value per bushel of domestic marketing certificates and the
2 face value per bushel of export marketing certificates. The
3 face value per bushel of domestic certificates shall be equal
4 to the amount by which the level of price support for wheat
5 accompanied by domestic certificates exceeds the level of
6 price support for wheat not accompanied by certificates
7 (noncertificate wheat). The face value per bushel of the
8 export certificates shall be equal to the amount by which the
9 level of price support for wheat accompanied by export cer-
10 tificates exceeds the level of price support for noncertificate
11 wheat.

12 “(d) Marketing certificates and transfers thereof shall
13 be represented by such documents, marketing cards, records,
14 accounts, certifications, or other statements or forms as the
15 Secretary may prescribe.

16 “MARKETING RESTRICTIONS

17 “SEC. 379d. (a) All persons are prohibited from acquir-
18 ing marketing certificates from the producer to whom such
19 certificates are issued, unless such certificates are acquired in
20 connection with the acquisition from such producer of a num-
21 ber of bushels of wheat equivalent to the marketing certifi-
22 cates. Marketing certificates shall be transferable only in
23 accordance with regulations prescribed by the Secretary.
24 Any unused certificates held by persons other than the pro-
25 ducer to whom such certificates are issued shall be purchased

1 by Commodity Credit Corporation. Notwithstanding the
2 foregoing provisions of this section, Commodity Credit Cor-
3 poration is authorized to purchase from producers certificates
4 not accompanied by wheat in cases where the Secretary
5 determines that it would constitute an undue hardship to
6 require the producer to transfer his certificates only in con-
7 nection with the disposition of wheat.

8 “(b) During any marketing year for which a wheat
9 marketing allocation program is in effect, (i) all persons
10 engaged in the processing of wheat into food products com-
11 posed wholly or partly of wheat shall, prior to marketing
12 any such product for human food in the United States, ac-
13 quire domestic marketing certificates equivalent to the
14 number of bushels of wheat contained in such product, and
15 (ii) each person exporting wheat or food products composed
16 wholly or partly of wheat shall prior to such export acquire
17 export marketing certificates equivalent to the number of
18 bushels so exported. If the Secretary determines that such
19 requirement is desirable for the effective administration of
20 this subsection, he may require domestic certificates to be
21 acquired on all first sales of food products composed wholly
22 or partly of wheat including sales for export, but upon the
23 exportation from the United States of any such food prod-
24 uct, Commodity Credit Corporation shall pay to the ex-
25 porter an amount equal to the difference between the face

1 value of domestic certificates and export certificates for the
2 quantity of food products so exported. Marketing certifi-
3 cates shall be valid to cover only sales or exportations made
4 during the marketing year with respect to which they are
5 issued, and after being once used to cover a sale or export of
6 a food product or an export of wheat shall be void and shall
7 be disposed of in accordance with regulations prescribed by
8 the Secretary.

9 “(c) Upon the giving of a bond or other undertaking
10 satisfactory to the Secretary, and subject to such regulations
11 as he may prescribe, to secure the purchase of and payment
12 for such marketing certificates as may be required, any per-
13 son required to have marketing certificates in order to mar-
14 ket or export a commodity may market any such commodity
15 without having first acquired marketing certificates.

16 “(d) As used in this subtitle, the term ‘food products’
17 means any product to be used for human consumption, in-
18 cluding beverage.

19 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
20 CERTIFICATES

21 “SEC. 379e. For the purpose of facilitating the purchase
22 and sale of marketing certificates, the Commodity Credit
23 Corporation is authorized to issue, buy, and sell marketing
24 certificates in accordance with regulations prescribed by the
25 Secretary. Such regulations may authorize the Corporation

1 to issue and sell certificates in excess of the quantity of cer-
2 tificates which it purchases and in the purchase and sale of
3 marketing certificates to make such discounts and charge
4 such premiums not exceeding 5 per centum of the face value
5 of the certificate as the Secretary shall determine necessary
6 to encourage the purchase and sale of such certificates
7 through commercial channels.

8 "CONVERSION FACTORS

9 "SEC. 379f. The Secretary shall establish conversion
10 factors which shall be used to determine the amount of wheat
11 contained in any food product. The conversion factor for
12 any such food product shall be determined upon the basis of
13 the weight of wheat used in the manufacture of such product.

14 "AUTHORITY TO FACILITATE TRANSITION

15 "SEC. 379g. The Secretary is authorized to take such
16 action as he determines to be necessary to facilitate the tran-
17 sition from the program currently in effect to the program
18 provided for in this subtitle. Notwithstanding any other pro-
19 vision of this subtitle, such authority shall include, but shall
20 not be limited to, the authority to exempt all or a portion of
21 the wheat or food products made therefrom in the channels of
22 trade on the effective date of the program under this subtitle
23 from the marketing restrictions in subsection (b) of section
24 379d, or to sell certificates to persons owning such wheat or
25 food products at such prices as the Secretary may determine.

1 Any such certificate shall be issued by Commodity Credit
2 Corporation.

3 "REPORTS AND RECORDS

4 "SEC. 379h. This section shall apply to warehousemen,
5 processors, common carriers, and other handlers of wheat and
6 food products containing wheat, all persons engaged in the
7 business of purchasing, selling, exporting, or transporting
8 wheat or food products containing wheat, and all persons
9 purchasing, selling, or otherwise dealing in wheat marketing
10 certificates. Any such person shall, from time to time on
11 request of the Secretary, report to the Secretary such in-
12 formation and keep such records as the Secretary finds to be
13 necessary to enable him to carry out the provisions of this
14 subtitle. Such information shall be reported and such records
15 shall be kept in such manner as the Secretary shall prescribe.
16 For the purpose of ascertaining the correctness of any report
17 made or record kept, or of obtaining information required to
18 be furnished in any report, but not so furnished, the Secretary
19 is hereby authorized to examine such books, papers, records,
20 accounts, correspondence, contracts, documents, and memo-
21 randums as he has reason to believe are relevant and are
22 within the control of such person.

23 "PENALTIES

24 "SEC. 379i. (a) Any person who violates or attempts
25 to violate or who participates or aids in the violation of any

1 of the provisions of subsection (b) of section 379d of this
2 Act shall forfeit to the United States a sum equal to two
3 times the face value of the marketing certificates involved in
4 such violation. Such forfeiture shall be recoverable in a
5 civil action brought in the name of the United States.

6 “(b) Any person who violates or attempts to violate
7 or who participates or aids in the violation of any provision
8 of this subtitle, or of any regulation, governing the acquisi-
9 tion, disposition, or handling of marketing certificates shall
10 be deemed guilty of a misdemeanor and upon conviction
11 thereof shall be subject to a fine of not more than \$5,000
12 for each violation.

13 “(c) Any person failing to make any report or keep
14 any record as required by section 379h shall be deemed
15 guilty of a misdemeanor and upon conviction thereof shall
16 be subject to a fine of not more than \$5,000 for each
17 violation.

18 “(d) Any person who falsely makes, issues, alters,
19 forges, or counterfeits any marketing certificate, or with
20 fraudulent intent possesses, transfers, or uses any such falsely
21 made, issued, altered, forged, or counterfeited marketing cer-
22 tificate, shall be deemed guilty of a felony and upon con-
23 viction thereof shall be subject to a fine of not more than
24 \$10,000 or imprisonment of not more than ten years, or
25 both.

1 “REGULATIONS

2 “SEC. 379j. The Secretary shall prescribe such regula-
3 tions as may be necessary to carry out the provisions of this
4 subtitle including but not limited to regulations governing
5 the acquisition, disposition, or handling of marketing cer-
6 tificates.”

7 SEC. 424. The Agricultural Act of 1949, as amended,
8 is amended as follows:

9 (1) By inserting after section 106 the following new
10 section:

11 “SEC. 107. Notwithstanding the provisions of section
12 101 of this Act, beginning with the 1963 crop—

“ (1) price support for wheat accompanied by domestic marketing certificates shall be at such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401 (b) ,

19 “(2) price support for wheat accompanied by ex-
20 port marketing certificates shall be at such level not
21 more than 90 per centum of the parity price therefor as
22 the Secretary determines appropriate taking into con-
23 sideration the factors specified in section 401 (b) ,

24 “(3) price support for wheat not accompanied by
25 marketing certificates shall be at such level as the Sec-

1 retary determines appropriate taking into consideration
2 competitive world prices of wheat, the feeding value of
3 wheat in relation to feed grains, and the level at which
4 price support is made available for feed grains,

5 “(4) if marketing quotas are in effect for the crop of
6 wheat, (i) price support shall be made available only to
7 cooperators; and (ii) if a commercial wheat-producing
8 area is established for such crop, price support shall be
9 made available only in the commercial wheat-producing
10 area,

11 “(5) no price support shall be made available for
12 any crop of wheat for which marketing quotas are not
13 in effect because of disapproval of quotas by producers,

14 “(6) the level of price support for any crop of
15 wheat for which a national marketing quota is not pro-
16 claimed shall be as provided in section 101, and

17 “(7) a ‘cooperator’ with respect to any crop of
18 wheat produced on a farm shall be a producer who (i)
19 does not knowingly exceed (A) the farm acreage al-
20 lotment for wheat or any other commodity on the farm
21 or (B) except as the Secretary may by regulation pre-
22 scribe, the farm acreage allotment on any other farm
23 for any commodity in which he has an interest as a pro-
24 ducer, and (ii) complies with the land-use requirements

1 of section 339 of the Agricultural Adjustment Act of
2 1938, as amended, to the extent prescribed by the Sec-
3 retary. No producer shall be deemed to have exceeded
4 a farm acreage allotment for wheat if the entire amount
5 of the farm marketing excess is delivered to the Secre-
6 tary or stored in accordance with applicable regulations
7 to avoid or postpone payment of the penalty, but the
8 producer shall not be eligible to receive price support on
9 such marketing excess.”

10 (2) By changing the period at the end of the
11 third sentence in section 407 to a colon and adding the
12 following: “*Provided*, That if a commercial wheat mar-
13 keting allocation program is in effect, the current support
14 price for wheat shall be the support price for wheat ac-
15 companied by a domestic certificate and wheat sold shall
16 be accompanied by a domestic certificate.”

17 SUBTITLE C—DAIRY

18 SEC. 430. (a) This subtitle may be cited as the “Dairy
19 Income Stabilization Act”.

20 (b) The first sentence of section 201 of the Agricultural
21 Act of 1949, as amended (7 U.S.C. 1446), is amended by
22 deleting therefrom the words “milk, butterfat, and the prod-
23 ucts of milk and butterfat” and inserting in lieu thereof the
24 words “and milk”.

25 (c) Subsection (c) of section 201 of the Agricultural

1 Act of 1949, as amended (7 U.S.C. 1446), is hereby
2 amended to read as follows:

3 “(c) The price of milk shall be supported through loans
4 on, or purchases of, milk and dairy products at a level
5 determined by the Secretary which is not in excess of 90 per
6 centum of the parity price therefor but which will be as near
7 such maximum level as he determines appropriate, taking
8 into consideration the supply of milk in relation to the de-
9 mand therefor, the importance of the milk to agriculture and
10 the national economy, the ability to dispose of stocks of dairy
11 products acquired through price support operations, the
12 ability and willingness of producers to keep supplies in line
13 with demand, and the need of dairy farmers for a fair return
14 on their labor and investment: *Provided*, That in no event
15 shall the level be such as the Secretary estimates will result
16 in the acquisition under the price support program of quan-
17 tities of milk and dairy products (i) which will be in excess
18 of those quantities which can be utilized in the national
19 interest, including school lunch, domestic welfare, and foreign
20 assistance, and (ii) which will have a total acquisition cost
21 (volume times unit purchase price or loan rate) in any one
22 marketing year (a) in excess of \$300,000,000 if marketing
23 allotments are not in effect for such year pursuant to the
24 Dairy Income Stabilization Act, or (b) in excess of
25 \$300,000,000 plus an amount equal to the surplus marketing

1 fees to be collected for such marketing year if marketing
2 allotments are in effect.

3 LEGISLATIVE FINDING

4 SEC. 431. Milk is a basic source of the Nation's food
5 supply. Dairy farming, which is carried on in every State
6 of the Nation and is an important source of farm income,
7 constitutes a vital segment of the agricultural and national
8 economy. It is in the national interest that there be ade-
9 quate and balanced supplies of milk. Surpluses of milk result
10 in low prices to producers and impair their purchasing
11 power; shortages result in unreasonably high prices to con-
12 sumers and the loss of markets for producers. Recurring
13 shortages and surpluses cause undesirable fluctuations in
14 prices to producers and consumers, unstable farm income,
15 and disorderly marketing practices. The general welfare
16 requires that interstate and foreign commerce be protected
17 from the harmful effects of imbalances in the supply of milk
18 and dairy products. All marketings of milk and dairy prod-
19 ucts are either in the current of interstate and foreign com-
20 merce or directly affect such commerce. The intrastate
21 marketing of milk and dairy products is in competition with
22 the marketing of milk and dairy products in interstate and
23 foreign commerce. Milk and dairy products which enter
24 directly into the current of interstate and foreign commerce
25 cannot be effectively regulated without regulating that part

1 marketed within the State of production. The conditions
2 affecting the production and marketing of milk and dairy
3 products are such that, without Federal assistance, farmers
4 individually or in cooperation cannot maintain a flow of an
5 adequate and balanced supply of milk in interstate and
6 foreign commerce at prices fair and reasonable to producers
7 and consumers.

GENERAL DEFINITIONS

SEC. 432. For the purposes of this subtitle—

(a) The term “interstate commerce and foreign commerce” includes the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

(b) The term “affect interstate and foreign commerce” means, among other things, to burden, obstruct, impede, or otherwise affect interstate and foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk and dairy products for or in such commerce or after transportation therein.

(c) The term “Secretary” means the Secretary of Agriculture.

(d) The term “milk” means bovine milk, including any classification, type, or grade thereof.

25 (e) The term “fluid milk” means milk produced to meet

1 the needs for consumption by humans as whole milk, cream,
2 skim milk, or any mixture thereof.

3 (f) The term “marketing year” means the twelve-month
4 period beginning April 1 of each year.

5 (g) The term “marketing period” means the whole or
6 any part of a marketing year, as determined by the Secre-
7 tary.

8 (h) The term “national marketing allotment” for milk
9 for any marketing year shall be the quantity of milk which
10 the Secretary determines, taking into consideration the carry-
11 over as of the beginning of the marketing year, should be
12 produced in the continental United States, excluding Alaska,
13 in order to make available for such marketing year a quan-
14 tity of milk equal to (1) the estimated consumption during
15 such year in commercial markets at prices reflecting the price
16 support level and in school lunch and child milk programs
17 and other outlets of the Federal Government, within the
18 United States, its territories and possessions, and Puerto Rico,
19 (2) estimated exports during such year, including exports
20 under foreign assistance programs, and (3) an allowance for
21 carryover, minus (4) the estimated marketings during such
22 year in excess of marketing allotments.

23 (i) The “allowance for carryover” shall be such amount
24 of milk as the Secretary determines will provide an adequate
25 carryover, taking into consideration the need for maintaining

1 an adequate, dependable, and continuous supply of milk,
2 and such other factors as the Secretary deems appropriate.

3 (j) "Producer" means any person who is engaged in
4 the production of milk or butterfat for market.

5 (k) The term "person" means an individual, partner-
6 ship, firm, joint-stock company, corporation, association,
7 trust, estate, or any other business entity.

8 (l) "First processor" means (1) any person receiv-
9 ing, purchasing, or acquiring milk from a milk producer
10 and (2) any producer disposing of milk or dairy products
11 directly to consumers.

12 MARKETING ALLOTMENTS AND PRODUCER REFERENDUM

13 SEC. 433. If, on or before February 1 preceding any
14 marketing year, the Secretary determines that in order to
15 provide price support for such marketing year at the maxi-
16 mum level he determines appropriate pursuant to section
17 201 (c) of the Agricultural Act of 1949, as amended, it will
18 be necessary to have marketing allotments, he may proclaim
19 (i) that, subject to referendum by producers, marketing
20 allotments shall be in effect for milk marketed in such
21 marketing year, (ii) the marketing allotment percentage
22 for such marketing year, (iii) the level of support if market-
23 ing allotments remain in effect, and (iv) the level of support
24 if marketing allotments do not remain in effect. Not later
25 than March 1 preceding the marketing year for which he

1 has proclaimed marketing allotments, the Secretary shall
2 conduct a referendum, by secret ballot, of producers to deter-
3 mine whether producers are in favor of or opposed to market-
4 ing allotments for such marketing year. Each producer who
5 is engaged in the marketing of milk in the calendar year in
6 which the referendum is held shall be eligible to vote in
7 the referendum: *Provided*, That, if the Secretary has pre-
8 scribed a minimum marketing allotment pursuant to section
9 437 of this subtitle, a producer shall not be eligible to vote
10 unless his marketings of milk during any one of the preced-
11 ing two calendar years exceeded such minimum marketing
12 allotment or he certifies that he will produce milk in
13 excess of such minimum allotment for marketing during
14 the marketing year to which the marketing allotment will
15 apply. If the Secretary determines that more than one-
16 third of the number of producers voting in the referendum
17 oppose marketing allotments, such allotments shall become
18 ineffective upon proclamation of the results of the refer-
19 endum. The Secretary shall proclaim the results of any
20 referendum held hereunder within thirty days after the date
21 of such referendum, or March 31, whichever is earlier.

22 PRODUCER MARKETING BASE

23 SEC. 434. The Secretary shall establish a marketing
24 base for each producer in the continental United States, ex-
25 cluding Alaska, who marketed milk, farm-separated cream,

1 or any dairy product in commercial channels in the cal-
2 endar year 1961, or in such other period as the Secretary
3 determines to be appropriate, and who desires to market
4 any of such commodities during any marketing year in
5 which marketing allotments are in effect. Such marketing
6 base shall be the number of pounds of milk, or the number
7 of pounds of milk fat, or such other units of dairy products
8 as the Secretary may deem appropriate for the administra-
9 tion of this subtitle, which the producer disposed of in com-
10 mercial channels in 1961 or such other twelve-month period
11 as the Secretary deems more representative. A producer's
12 marketing base for a marketing year shall be apportioned
13 by the Secretary among the marketing periods thereof in
14 accordance with the producer's marketing pattern in 1961,
15 or such other twelve-month base period as the Secretary
16 may determine, subject to such adjustments as the Secretary
17 determines necessary to enable the producer to carry out his
18 herd management plans for the marketing year. The quan-
19 tity thus apportioned to a marketing period shall be the pro-
20 ducer's marketing base for such period. In establishing
21 and apportioning marketing bases, the Secretary may utilize
22 the services of local, county, and State committees estab-
23 lished under section 8 of the Soil Conservation and Domes-
24 tic Allotment Act. The Secretary shall make such ad-
25 justment in the marketing bases established hereunder as he

1 deems necessary for abnormal conditions affecting produc-
2 tion or marketing, for relief of shortages in deficit produc-
3 tion areas, and for such other factors as he determines should
4 be considered for the purpose of establishing fair and equi-
5 table marketing bases.

6 SEC. 435. The Secretary shall prescribe such conversion
7 factors as he determines necessary for use in determining the
8 quantity of milk marketed by producers who market their
9 milk in the form of farm-separated cream, butterfat, or other
10 dairy products.

11 SEC. 436. A producer may, to such extent and subject
12 to such terms and conditions as the Secretary may prescribe,
13 transfer his marketing base, or any part thereof, to any other
14 producer or prospective new producer who agrees to utilize
15 such base for the disposition in commercial channels of milk,
16 butterfat, or dairy products, produced in the same State as
17 that in which the transferor engaged in production, or any
18 State adjacent thereto, or in such other State or area as the
19 Secretary may authorize. The Secretary may utilize funds
20 available for purchase or loans on dairy products under the
21 price support program to purchase and cancel bases offered
22 voluntarily for sale by producers if he determines that (i)
23 the cost of such purchase and cancellation will be less than
24 the added cost of carrying out price support operations if such
25 bases were to remain in production, (ii) such purchase and

1 cancellation will aid in effective operation of the price support
2 program, and (iii) such purchase and cancellation will fur-
3 ther the purposes of this subtitle.

4 PRODUCER MARKETING ALLOTMENTS

5 SEC. 437. (a) If marketing allotments are proclaimed
6 for any marketing year, the Secretary shall determine the
7 marketing allotment percentage for such year by dividing the
8 national marketing allotment for such year by the estimated
9 aggregate of all producers' marketing bases. Each pro-
10 ducer's marketing allotment for a marketing period shall
11 be determined by multiplying his marketing base for such
12 period by the marketing allotment percentage: *Provided*,
13 That the Secretary may, if he determines that it will not
14 impair effective administration of this subtitle, prescribe a
15 minimum marketing allotment for any producer holding a
16 marketing base.

17 (b) The Secretary may, from time to time during the
18 marketing year, review his determination of the national mar-
19 keting allotment. If, as a result of such review, he deter-
20 mines that the national marketing allotment should be in-
21 creased because of a substantial change in any of the factors
22 entering into the determination of such allotment, he may
23 increase such allotment to the extent he determines war-
24 ranted by the change in such factors. If the national market-
25 ing allotment is increased, the Secretary shall proclaim the

1 resulting increase in the marketing allotment percentage and
2 date on which it shall become effective for marketings during
3 the remaining portion of the marketing year. If, as a result
4 of such review, the Secretary determines that the national
5 allotment should be decreased because of a substantial change
6 in any of the factors entering into the determination of such
7 allotment, he may decrease such allotment to the extent he
8 determines warranted by the change in such factors. If the
9 national allotment is decreased, the Secretary shall proclaim
10 the resulting decrease in the marketing allotment percentage
11 and date on which it shall become effective for marketings
12 during the remaining portion of the marketing year if ap-
13 proved by producers in a referendum. The Secretary shall
14 conduct a referendum, by secret ballot, to determine whether
15 producers are in favor of or opposed to the continuation of
16 marketing allotments with the decreased marketing allotment
17 percentage. If he determines that more than one-third of
18 the number of producers voting in the referendum oppose
19 such continuation of marketing allotments, marketing allot-
20 ments shall become ineffective upon proclamation of the re-
21 sults of the referendum and, notwithstanding any other pro-
22 vision of law, the level of price support shall thereupon be
23 reduced to the level which the Secretary had proclaimed,
24 pursuant to section 433 of this subtitle, would be in effect if
25 marketing allotments did not remain in effect. Producers

1 eligible to vote in a referendum conducted pursuant to section
2 433 of this subtitle shall be eligible to vote in a referendum
3 pursuant to this section.

4 SURPLUS MARKETING FEES

5 SEC. 438. (a) The marketing of milk or any product
6 thereof by a producer in excess of his marketing allotment
7 for any marketing period shall be subject to a surplus mar-
8 keting fee. The amount of the fee shall be established and
9 announced by the Secretary in advance of the marketing
10 period to which it applies and shall be that amount not in
11 excess of \$2.75 which the Secretary estimates (i) will pro-
12 vide a surplus marketing fund sufficient (taking into account
13 any amount carried over from previous years) to cover any
14 acquisition cost (volume times unit purchase price or loan
15 rate) which may be incurred for milk and dairy products
16 during the marketing year under the price support program
17 in excess of the smaller of (A) \$300,000,000 or (B) the
18 acquisition cost of those quantities of milk and dairy products
19 which the Secretary estimated under 201 (c) of the Agri-
20 cultural Act of 1949, as amended, can be utilized in the
21 national interest, including school lunch, domestic welfare,
22 and foreign assistance, and (ii) will discourage production
23 for marketing in excess of marketing allotments. The Secre-
24 tary may adjust the amount of the surplus marketing fee
25 previously established for a marketing period as he deter-

1 mines necessary in order to provide a sufficient surplus mar-
2 keting fund: *Provided*, That (i) no adjusted fee shall be in
3 excess of \$2.75 or be applied retroactively, and (ii) any up-
4 ward adjustment shall be announced not less than thirty days
5 in advance of the date on which such adjusted fee is to be-
6 come effective.

7 (b) The surplus marketing fee shall be paid to the
8 Commodity Credit Corporation by the first processor who
9 acquires milk or milk products from a producer in excess
10 of the producer's marketing allotment, but an amount equiv-
11 alent to the surplus marketing fee may be deducted from the
12 price paid by the first processor to the producer: *Provided*,
13 That in case any milk or milk product is marketed directly
14 by the producer to any person outside the United States the
15 surplus marketing fee shall be paid and remitted by the pro-
16 ducer. For the purpose of this section, a first processor who
17 is also a milk producer shall be deemed to have acquired
18 that portion of his production which he markets in excess of
19 his marketing allotment. Such surplus marketing fee shall be-
20 come due and payable within fifteen days following the
21 marketing period in which the first processor receives from
22 any producer milk or dairy products in excess of his market-
23 ing allotment or at the end of such other period of time as
24 the Secretary may prescribe. The first processor and the
25 producer shall be jointly and severally liable for any default

1 in the payment of the surplus marketing fee and for interest
2 thereon at the rate of 6 per centum per annum from the
3 date such fee becomes due until the date of payment thereof
4 except that the producer shall not be liable for any such de-
5 fault if the amount of the fee was deducted by the first
6 processor from the price paid to the producer. Any termina-
7 tion of marketing allotments shall not affect liability for pay-
8 ment of surplus marketing fees with respect to milk or any
9 product thereof marketed prior to such termination.

10 (c) The Commodity Credit Corporation shall refund to
11 persons determined by the Secretary to be entitled thereto
12 the amount of surplus marketing fees determined by the Sec-
13 retary to have been erroneously paid to Commodity Credit
14 Corporation. In case any person who is entitled to a refund
15 of surplus marketing fee dies, becomes incompetent, or dis-
16 appears before receiving such refund or is succeeded in law
17 by another, the refund shall, without regard to other pro-
18 visions of law, be made as the Secretary may determine to be
19 fair and reasonable in all circumstances. The basis for, the
20 amount of, and the persons entitled to receive a refund from
21 Commodity Credit Corporation, when determined in accord-
22 ance with regulations prescribed by the Secretary, and the
23 amount of any surplus marketing fee established by the
24 Secretary, shall be final and conclusive.

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1 reports as the Secretary shall prescribe for the purposes of
2 this subtitle. The Secretary is hereby authorized to examine
3 such records and any other records, accounts, documents,
4 and other papers which he has reason to believe are relevant
5 for the purposes of this subtitle and which are in the custody
6 or control of such first processor or producer. Any person
7 failing to make any report or keep any record as required
8 by the Secretary, pursuant to this subtitle, shall be guilty
9 of a misdemeanor and, upon conviction thereof, shall be
10 punished by a fine of not more than \$2,000 or by imprison-
11 ment for not more than one year, or both.

12 MISCELLANEOUS

13 SEC. 441. The provisions of section 364 (relating to re-
14 view committee), section 365 (relating to the institution of
15 proceedings), section 366 (relating to court review), and
16 section 367 (relating to stay proceedings and exclusive juris-
17 diction) of the Agricultural Adjustment Act of 1938, as
18 amended (7 U.S.C. 1364-1367), shall be applicable to re-
19 views and proceedings under this subtitle. The provisions of
20 section 388 (relating to utilization of local agencies) of the
21 Agricultural Adjustment Act of 1938, as amended (7 U.S.C.
22 1388), shall be applicable in the administration of this sub-
23 title. The several district courts of the United States are
24 hereby vested with jurisdiction specifically to enforce the

1 provisions of this subtitle. If and when the Secretary shall
2 so request, it shall be the duty of the several district attor-
3 neys, under direction of the Attorney General, to institute
4 proceedings, to collect surplus marketing fees provided in
5 this subtitle. The remedies and surplus marketing fees pro-
6 vided for herein shall be in addition to and not exclusive of
7 any other remedy under law.

8 DAIRY STABILIZATION ADVISORY COMMITTEE

9 SEC. 442. (a) There is hereby created a Dairy Stabili-
10 zation Advisory Committee consisting of twenty-one mem-
11 bers with an alternate member for each such member.
12 Fifteen of such members and their respective alternates shall
13 be producers and shall be elected as provided in subsection
14 (b) of this section. Six of such members and their respec-
15 tive alternates shall be appointed by the Secretary, four of
16 whom shall be processors or marketers of milk and dairy
17 products or members, employees, or officers of firms engaged
18 in the processing or marketing of milk or dairy products or
19 representatives of associations of milk producers or farm
20 organizations, one shall be a representative of consumer
21 interests and one shall be an employee of the Department of
22 Agriculture. The Secretary shall designate one member of
23 the committee as chairman.

24 (b) In order to secure appropriate regional representa-
25 tion of the committee, the Secretary shall divide the con-

1 tinal United States, excluding Alaska, into fifteen Fed-
2 eral dairy districts and shall so designate the districts as to
3 include therein, insofar as is practicable, approximately the
4 same proportion of total milk production. Each Federal
5 dairy district shall be represented by one milk producer-
6 member, and his alternate, on the committee. Each pro-
7 ducer-member, and his alternate, shall be nominated and
8 elected in such manner as the Secretary shall prescribe to
9 assure representation of the majority of milk producers in
10 each district. The Secretary shall conduct all elections for
11 the selection of members and alternate members of the Dairy
12 Stabilization Advisory Committee, and shall prescribe meth-
13 ods whereby each milk producer may vote in determining
14 representation of his district on the committee. In making
15 appointments to the Dairy Stabilization Advisory Commit-
16 tee, the Secretary shall give due consideration to securing
17 representation of the various forms in which milk and its
18 products are sold and of cooperative and other forms of
19 management.

20 (c) Initial membership in the Dairy Stabilization Advi-
21 sory Committee shall be equally divided between terms of
22 two and four years, as designated by the Secretary, and,
23 thereafter, each member and his alternate shall be elected
24 or appointed for a term of four years. Terms of committee
25 members shall be based on calendar years and shall expire

1 on the last day of the last calendar year of the election or
2 appointment. Each member and alternate member shall
3 hold office for the term of his election or appointment and
4 until his successor shall have been elected or appointed and
5 shall have taken office. Committee members and their alter-
6 nates may be removed for cause or ineligibility by the Secre-
7 tary. In the event any member is unable to attend any
8 meeting of the Dairy Stabilization Advisory Committee or
9 perform any task assigned to him, his alternate may attend
10 such meeting or perform such task. A vacancy in the mem-
11 bership of the committee shall be filled by the respective
12 alternate. In the event of a vacancy in an alternate member-
13 ship, the Secretary shall appoint an alternate to fill the
14 unexpired term.

15 (d) The Dairy Stabilization Advisory Committee shall
16 meet at the call of the Secretary no less than twice a year,
17 and shall advise with and make recommendations to the
18 Secretary with respect to the administration of this subtitle
19 and with respect to dairy price support operations under the
20 Agricultural Act of 1949. The Dairy Stabilization Advisory
21 Committee shall keep minutes of its meetings which minutes
22 shall be a matter of public record except for such portions
23 thereof as the Secretary determines should be withheld from
24 public information for a period of time (1) in the interests
25 of the national security as classified material under Records

1 Security Regulations, or (2) because premature public re-
2 lease of such information might result in market specula-
3 tion or have an adverse effect on current program operations.

4 (e) The Secretary is authorized to pay to members
5 (other than the member from the Department of Agricul-
6 ture) of the Dairy Stabilization Advisory Committee for
7 each day's attendance at meetings and while traveling to and
8 from such meetings transportation expenses and, in lieu of
9 subsistence, a per diem in such amount as the Secretary
10 determines necessary not to exceed \$25 per day. No salary
11 or other compensation shall be paid.

12 SEC. 443. (a) The Secretary shall prescribe such regu-
13 lations as are necessary for the enforcement and the effective
14 administration of this subtitle.

15 (b) There are hereby authorized to be appropriated
16 such sums as may be necessary to administer the provisions
17 of this subtitle.

18 1962 MARKETING YEAR

19 SEC. 444. Notwithstanding the dates specified in section
20 433 of this subtitle, the Secretary, with respect to the mar-
21 keting year beginning April 1, 1962, may, on any date in
22 1962, proclaim marketing allotments for such marketing
23 year, hold the referendum within thirty days after the date
24 of the proclamation, and proclaim the results thereof within
25 thirty days after such referendum: *Provided, however, That*

1 no surplus marketing fee shall be due or payable with respect
2 to any milk and dairy products marketed by a producer prior
3 to the first marketing period commencing after the date the
4 Secretary proclaims the results of the referendum, but the
5 estimated amount of such surplus marketing fee shall be
6 considered as having been paid into the surplus marketing
7 fund for purposes of section 438 of this subtitle and section
8 201 (c) of the Agricultural Act of 1949, as amended. Not-
9 withstanding any other provision of law, the level of support
10 in effect on the effective date of this Act for whole milk and
11 butterfat for the marketing year commencing April 1, 1962,
12 shall not be adjusted to the level of support required by sec-
13 tion 201 (c) of the Agricultural Act of 1949, as amended,
14 and further amended by this subtitle, until thirty days fol-
15 lowing the date on which the Secretary proclaims the results
16 of the referendum if producers disapprove marketing allot-
17 ments or until the commencement of the first marketing
18 period following the date on which the Secretary proclaims
19 the results of the referendum if producers approve marketing
20 allotments.

21 TITLE V—GENERAL PROVISIONS

22 SEC. 501. The Consolidated Farmers Home Admin-
23 istration Act of 1961 (75 Stat. 307) is amended as follows:

24 (1) By striking out the period at the end of sec-

tion 304 and inserting a comma and the following:
“including recreational uses and facilities.”;

(2) By inserting in section 306 (a) after the words
“soil conservation practices” the words “shifts in land-
use including the development of recreational facilities”,
and by inserting after the word “drainage” the words
“or sewer”;

(3) By striking out in section 309 (f) (1) the
figure “\$10,000,000” and inserting in lieu thereof the
figure “\$25,000,000”; and

(4) By inserting in section 312 after the words
“and conservation” the words “including recreational
uses and facilities”.

SEC. 502. Subsections (a) and (b) of section 3 of the
Rural Electrification Act of 1936, as amended (7 U.S.C.
903), be and the same are hereby amended to read as
follows:

“SEC. 3. (a) There are authorized to be appropriated,
for the purposes of this Act, such sums as the Congress
may from time to time determine to be necessary.

“(b) When authorized by Congress, the Administrator
is authorized, with the approval of the Secretary of Agricul-
ture, to make and issue notes to the Secretary of the Treasury
for the purpose of obtaining funds in such amounts as the

1 Congress may approve annually in appropriation Acts for
2 making loans under titles I and II of this Act. Such notes
3 shall be in such form and denominations and be subject to
4 such terms and conditions as may be prescribed by the Ad-
5 ministrator with the approval of the Secretary of the
6 Treasury. Such notes shall bear interest at a rate fixed by
7 the Secretary of the Treasury not in excess of the rate pro-
8 vided for in sections 4 and 5 of this Act. The Secretary of
9 the Treasury is authorized and directed to purchase any notes
10 of the Administrator issued hereunder, and for that purpose
11 the Secretary of the Treasury is authorized to use as a public
12 debt transaction the proceeds from the sale of any securities
13 issued under the Second Liberty Bond Act, as amended, and
14 the purposes for which such securities may be issued under
15 such Act, as amended, are extended to include the purchase
16 of notes issued by the Administrator. All redemptions, pur-
17 chases, and sales by the Secretary of the Treasury of such
18 notes shall be treated as public debt transactions of the
19 United States.

20 “The appropriations for loans made under the authority
21 of subsection (a) and funds obtained in accordance with the
22 preceding paragraph of this subsection and the unexpended
23 balances of any funds available on the effective date of this
24 amendment for loans under this Act, including any funds
25 made available for loans under the item ‘Rural Electrification

1 Administration', in the Department of Agriculture appro-
2 priation Acts current on the date of enactment of this amend-
3 ment, shall be merged into a single account hereafter in this
4 section called the 'loan account'. All notes, bonds, obliga-
5 tions, and property, including those now held by the Admin-
6 istrator on behalf of the Secretary of the Treasury, and all
7 collections therefrom, made or held under the loan provisions
8 of titles I and II of this Act, shall be assets of said account.

9 "The notes of the Administrator issued to the Secretary
10 of the Treasury under titles I and II of this Act, and all other
11 liabilities against the appropriations or assets in the loan
12 account shall be liabilities of said account, and all other obli-
13 gations against such appropriations or assets shall be obliga-
14 tions of said account. Moneys in the loan account shall also
15 be available for interest and principal repayments on notes
16 issued by the Administrator to the Secretary of the Treasury.
17 Otherwise, the balances in said account shall remain available
18 to the Administrator for loans under titles I and II of this
19 Act and for advances in connection therewith not to exceed
20 any existing appropriations or authorization limitations and
21 in such further amounts as the Congress from time to time
22 determines in appropriation Acts. The amounts so author-
23 ized for loans and advances shall remain available until ex-
24 pended."

1 SEC. 503. Subsection (f) of section 3 of the Rural Elec-
2 trification Act, as amended, is repealed.

3 SEC. 504. If any provision of this Act is declared un-
4 constitutional, or the applicability thereof to any person or
5 circumstance is held invalid, the validity of the remainder of
6 this Act and the applicability thereof to other persons and
7 circumstances shall not be affected thereby.

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. ELLENDER

FEBRUARY 2, 1962

Read twice and referred to the Committee on
Agriculture and Forestry



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108

WASHINGTON, FRIDAY, FEBRUARY 2, 1962

No. 16

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, February 5, 1962, at 12 o'clock noon.

Senate

FRIDAY, FEBRUARY 2, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all mercy, bowing at this noon-tide altar of Thy grace, may we be vividly conscious that we need not turn back to bygone centuries to hear Thy voice, as if Thou dost no longer speak to men.

Above the noise of crashing systems, yea, in and through the change and confusion of our day, give us to see that the day of judgment has come and that Thou art searching out the souls of men before Thy judgment seat. Through the want and woe of Thy world and of Thy children, our brothers, Thy voice to us is sounding.

Join us to those who labor to the utmost to bring sense and system to this disordered globe, and grant that our eyes may yet look upon a world that has found a pathway leading to the plains of universal peace where all men's good shall be each man's rule, through all the circle of the golden years.

In the Redeemer's name we pray. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 31, 1962, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of January 15, 1962, Mr. MAGNUSON, from the Committee on Appropriations, on February 1, 1962, reported the

joint resolution (H.J. Res. 612) making supplemental appropriations for the Veterans' Administration for the fiscal year ending June 30, 1962, and for other purposes, and submitted a report (No. 1194) thereon; which joint resolution was placed on the calendar.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,
The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HUMPHREY. Mr. President, I ask unanimous consent that statements during the morning hour be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Upon request of Mr. MUSKIE, and by unanimous consent, the Subcommittee on Internal Security of the Senate Committee on the Judiciary was authorized to meet during the session of the Senate today.

CORRECTION OF THE RECORD

Mr. MORSE. Mr. President, I thank the distinguished senior Senator from Pennsylvania [Mr. CLARK] for his most helpful courtesy in placing into the CONGRESSIONAL RECORD of January 29 materials which have been prepared for me for use in the Senate debate on S. 1241.

In proofreading the material, it was noted that in a few minor instances typographical errors such as the transposition of figures had occurred. In order that the corrected material may be available for the use of the Senate, I ask that in 12 instances there be printed at this point in my remarks the corrected State tabulations.

The VICE PRESIDENT. The corrections will be made.

[The matter referred to appears at pp. 1308-1314 of today's Senate proceedings.]

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair hereby appoints the Senators from New Jersey [Mr. HARRISON A. WILLIAMS, JR. and Mr. CLIFFORD P. CASE] as members on the part of the Senate to the Woodrow Wilson Memorial Commission established by Public Law 364 of the 87th Congress, approved October 4, 1961.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF BRETTON WOODS AGREEMENTS ACT

A communication from the President of the United States, transmitting a draft of proposed legislation to implement the recommendations of the National Advisory Council on International Monetary and Financial Problems relating to special borrow-

ing arrangements of the International Monetary Fund (with accompanying papers); to the Committee on Foreign Relations.

FOOD AND AGRICULTURE ACT OF 1962

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain acts relating to Food and Agriculture Act (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, reports on overobligations of appropriations within that Department (with accompanying reports); to the Committee on Appropriations.

REPORT ON MEDICAL STOCKPILE OF CIVIL DEFENSE EMERGENCY SUPPLIES

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment purposes, for the quarter ended December 31, 1961; to the Committee on Armed Services.

REPORT ON ACTIVITIES UNDER FEDERAL AIRPORT ACT

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., reporting, pursuant to law, on certain activities under the Federal Airport Act, for fiscal years 1962 and 1963; to the Committee on Commerce.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO MONEYS RECEIVED IN PAYMENT FOR SPECIAL STATISTICAL STUDIES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 with respect to moneys received in payment for special statistical studies and compilations and certain other services (with accompanying papers); to the Committee on Finance.

EXTENSION OF PUBLIC ASSISTANCE AND CHILD WELFARE SERVICES PROGRAM OF SOCIAL SECURITY ACT

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes (with an accompanying paper); to the Committee on Finance.

REPORT ON SALES AND TRANSFERS OF FOREIGN EXCESS PROPERTY BY VETERANS' ADMINISTRATION

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting, pursuant to law, a report on the sales and transfers of foreign excess property by that Administration, for the period January 1, 1961, through December 31, 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF WAGE ACCOUNTING AND UNEMPLOYMENT CONTRIBUTION COLLECTION ACTIVITIES, RAILROAD RETIREMENT BOARD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of wage accounting and unemployment contribution collection activities, Railroad Retirement Board, July 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF PRICING OF SELECTED SPARE PARTS FOR ARC-34 COMMUNICATION EQUIPMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of selected spare parts for ARC-34 communication equipment under Department of

the Air Force fixed-price contracts negotiated with the Magnavox Co., Fort Wayne, Ind., dated January 1962 (with an accompanying report); to the Committee on Government Operations.

FEDERAL WIRE INTERCEPTION ACT

A letter from the Attorney General, transmitting a draft of proposed legislation to prohibit wiretapping by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified categories of criminal offenses, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

RECONSTITUTION OF EASTERN JUDICIAL DISTRICT OF WISCONSIN

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis. (with an accompanying paper); to the Committee on the Judiciary.

CLAIM OF SORESEN FISH COMPANY v. THE UNITED STATES

A letter from the clerk, U.S. Court of Claims, Washington, D.C., transmitting, pursuant to law, a copy of the court's order of January 26, 1962, discontinuing further proceedings in the claim of the *Sorensen Fish Company v. The United States*, Congressional No. 3-61 (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT, RELATING TO CERTAIN DEPOSITS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend the Bankruptcy Act to permit a trustee to deposit estate money in interest-bearing time deposits (with an accompanying paper); to the Committee on the Judiciary.

REPORTS UNDER FAIR LABOR STANDARDS ACT

A letter from the Secretary of Labor, transmitting, pursuant to law, his report under the Fair Labor Standards Act, dated 1962, together with four reports of the Wage and Hour Division, Department of Labor, relating to exemptions available for employment in laundries and cleaning plants, hotels and motels, restaurants, and other food service enterprises, and the handling and processing of agricultural products (with accompanying report); to the Committee on Labor and Public Welfare.

REPORTS ON POSITIONS IN GRADES GS-16, 17, AND 18 OF GENERAL SCHEDULE OF CLASSIFICATION ACT OF 1949

A letter from the Chairman, U.S. Civil Service Commission, Washington, D.C., transmitting, pursuant to law, reports from various departments and agencies, relating to positions in grades GS-16, 17, and 18 of the general schedule of the Classification Act of 1949 (with accompanying reports); to the Committee on Post Office and Civil Service.

A letter from the Director, Federal Bureau of Investigation, Washington, D.C., transmitting, pursuant to law, a report of that department relating to positions in grades GS-16, 17, and 18 of the general schedule of the Classification Act of 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent

value or historical interests, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Sixth Guam Legislature; to the Committee on Interior and Insular Affairs:

"RESOLUTION 331

"Resolution relative to requesting the President and Congress of the United States to enact legislation to create the position of territorial deputy or delegate to be elected by the people of Guam as their representative to the Congress of the United States

"Be it resolved by the Legislature of the Territory of Guam—

"Whereas the people of Guam since their union with the United States beginning in 1898 have been generously educated in the practices and principles of democracy, and as they have learned and lived this American way of life, the U.S. Government has generously extended more and more elements of popular government, culminating in 1950 in the extension of U.S. citizenship and the granting of a locally elected legislature; and

"Whereas since that date the people of Guam have carried out in a democratic manner their responsibilities as voters and have elected six legislatures which have attempted to carry out the will of the people, one principal desire of the voters being that of having representatives of Guam in Washington to confer with the national leaders on Guam's problems; and

"Whereas, as a result of this desire, the Guam Legislature has almost annually sent delegations to Washington to speak on behalf of the people of Guam, which delegations have been received with kindness and understanding by both the Congress of the United States and the executive offices in our Capital, and much of great benefit to the territory has been gained as a result of these delegations, although such were in a sense unofficial and without statutory standing in either Congress or the administration; and

"Whereas it is the manifest will of the people of Guam that, in lieu of these informal congressional delegations to Washington, statutory provision be made for an officially elected representative of the people of Guam, called a territorial deputy, delegate, or whatever, to act on Guam's behalf in Congress and in the Federal offices, such desire being exemplified by the following:

"(1) The numerous resolutions similar to this adopted by the various Guam Legislatures;

"(2) The efforts made by the unofficial Guam delegations to Washington to obtain such representation; and

"(3) Over 10,000 signatures obtained on petitions, a clear and unmistakable indication of the wish of the people of Guam, forwarded to the Congress requesting such legislation; and

"Whereas the people of Guam are grateful and appreciative for the efforts that have been made by those Congressmen interested in Guam's problem who have introduced and fought for legislation to provide a territorial representative, and hope that this further expression of their desire

abstention on the basis of the legal restraint which they thought existed, not on the basis that they thought Cuba should not be excluded.

Some interesting sequels have developed. I say this with all respect to the very able statesman to whom I shall refer, because he is able. However, when it is said that the representatives of some of these countries who abstained from voting had the support of their people, and when it is claimed that they represented, for instance, 65 million people in Brazil, or 28 million people in Argentina, let us look at that proposition. I say this with respect, but I point out that this is what the leading newspapers of Brazil are saying today after this action by the Foreign Minister of Brazil. His name is Mr. Santiago Dantes, a very able statesman. I have great respect for him. What I say is not said in any way to belittle him. I am only referring to what the major newspapers of Brazil said about him the next day and, I am told, are saying about him today. They are referring to that gentleman not as Mr. Santiago Dantes, but as Mr. Santiago de Cuba. They are referring to him in their editorials in that way and saying that he did not represent the feeling of the people of Brazil when he abstained from voting in the same way in which the United States voted.

I am told that of the nine daily newspapers in Buenos Aires, Argentina, eight are vigorously attacking the failure and refusal of their Prime Minister to vote in favor of the exclusion of Cuba, and are criticizing the use of the legalistic argument of the lack of power in abstaining.

I say this with respect to these gentlemen: All I am doing is pointing out that just as I am sure 180 million people in the United States approve the strong and vigorous condemnatory proceedings which were taken at Punta del Este, I am also equally sure that that is true in the major countries in Latin America whose delegates abstained from voting.

Mr. RANDOLPH. Mr. President, will I interrupt the Senator's continuity of thought if I disturb him at this point for comment and to ask a question?

Mr. HICKENLOOPER. I say to my distinguished friend from West Virginia that there is not very much continuity to what I am saying, so I do not believe his interruption would bother me. I am merely making some observations.

Mr. RANDOLPH. I wish to commend the Senator and propound an inquiry.

Mr. HICKENLOOPER. I say that there is not much continuity to what I am saying, and the Senator will not disturb me at all if he asks me a question. In fact, I will be delighted to answer his question.

Mr. RANDOLPH. I was not privileged to be in the Chamber to hear the diligent and distinguished Senator from Oregon [Mr. Morse] or the beginning remarks of the equally effective and distinguished Senator from Iowa. I wished to inquire particularly with respect to the impression that the Senator from Iowa received from the representatives of the Central American countries who stood stead-

fastly with the United States during the affirmative efforts in having approved a most positive position by the Conference.

Mr. HICKENLOOPER. My impression of them is that they see clearly the threat and the danger to freedom and self-determination and liberty and democracy which is posed by the dagger of communism, controlled by the Sino-Soviet block through Cuba. They see it clearly. They understand it. They are willing to act vigorously, to the point of sacrificing their lives to defend it. They courageously stood firm with the United States and were a bulwark of strength to our U.S. position in this meeting at Punta del Este. I have the highest admiration for them.

Mr. RANDOLPH. The Senator's assurance is, in my opinion, based on personal conferences and observations I have experienced. It is fitting to indicate for the RECORD, that, in company with the Senator from Alaska [Mr. Gruening], it was my privilege and my official responsibility as a member of the Subcommittee on Public Roads, to visit the Central American countries during the last few days of 1961 and the first few days of 1962. We were in that area primarily to study the progress which has been made in the construction of the Inter-American Highway. Yet there was opportunity, in fact, we sought the opportunity, to talk with the Presidents of some of these countries in Central America. Where the Presidents were not readily available, we held discussions with their foreign ministers and other cabinet officials.

We learned that in these countries, moving from Panama to Mexico, there was this solidarity, there was this strength, to which the Senator has just been referring. We were somewhat concerned, when during that work visit, we read that the President of the United States had indicated that he would visit Mexico during 1962. It was my feeling, at the time of the announcement, and again today, that the President could well say in essence to these Central American peoples, "I wish to come among you, as well as to visit Mexico, and I plan to do so."

Mr. President, we have vigilant support for justice and liberty in these lands. These persons, in official and in private life, are actively engaged in a common cause against the fomenters of communism. There are, in some key government positions and legislative posts, those who aid the Soviet lines and the Cuban moves. A visit from President Kennedy will encourage the fearless and dedicated people who wage an unrelenting battle against communism.

I believe that the time has come, and perhaps it is long overdue, when we should indicate to these cooperative nations, which are relatively small countries acreage-wise and population-wise, but which have stood with us, that there is no priority of Presidential visitation. If a visit to Mexico is to be made, and I favor such a trip, we should certainly want our Chief Executive to visit Honduras and El Salvador and Nicaragua

and Guatemala and Costa Rica, all the countries which are embraced in Central America. Would the Senator agree?

Mr. HICKENLOOPER. In my judgment, visits by the President of the United States, when he can make them, are extremely helpful. Those countries are honored and pleased by such visits. They contribute immeasurably to the bettering of relations and understanding. I think it would be a fine thing. I certainly would applaud a visitation by the President, especially to the small countries, which feel that their small population and their lack of great wealth may relegate them to a little less consideration at times, although that is not necessarily true. I think that visits by the President are commendable.

As the Senator from West Virginia knows, one of the difficulties, when the President of the United States goes to a continent or an area, is that if he visits one country but not another, not because he does not want to visit the other, but because of a lack of time, a misunderstanding is created. Such visits have to be handled carefully, because manifestly on one visit the President could not visit all the countries. That is something which will have to be worked out. However, so far as the theory is concerned, I agree with the Senator from West Virginia. So far as the Central American countries and those bordering on the Caribbean are concerned, I thoroughly agree with him that we must long remember the stalwart cooperation which they have given and are continuing to give us.

The fact that they have stood with us means that I, for one, shall stand with them. They deserve such consideration. They are not strong countries from the standpoint of physical strength; but from the standpoint of moral courage, clarity of thought, and a realization of what the Communist menace is, they are stalwart, indeed. Sometimes those countries are stalwart away beyond the physical size of their country or the amount of their national treasury. Their stalwart courage often exceeds that of some larger countries that should be in the forefront of this battle.

Mr. RANDOLPH. I thank the Senator from Iowa. Permit me one another observation. We have every reason to believe that with the use of the Inter-American Highway, which runs from Laredo, Tex., into Mexico, and through the Central American countries to Panama, we are forging a lifeline of justice, liberty, and understanding. The participation by those countries in providing funds with which we cooperatively construct the road is most valuable. I think the road will be of real value in the future.

I offer this final thought:

At the time we visited Honduras, we found a contest in progress at the University of that country between the forces of communism and of anti-communism. This was not communism by indirection, but of direction. An election was held for the presidency of the student body. One of the individuals who ran for the presidency of the

student body of the University of Honduras designated himself openly as a Communist candidate. The student opposed to the Communist candidate on that campus prevailed by 11 votes. It was a close contest, to be sure; but to find the concern and alertness of the people there toward the Communist threat—yes, I use the word "threat" advisedly—was heartening. As the Senator from Iowa has indicated, these nations, even with lesser resources than many other countries, there are those diligent citizens who are determined to stand with us in this time of need.

Mr. HICKENLOOPER. I thank the Senator from West Virginia. At a later date, and from time to time, I am sure we shall discuss this particular meeting and its results. While I should have liked to see certain other declarations come out of the meeting, nevertheless, under all the circumstances, considering all the forces at work and, sometimes, the confusion of thinking, we came out with a firm, definite, and vigorous statement, one which I believe will unite the Americas, and which, I think, makes the meeting at Punta del Este a markedly successful one.

In closing, I again pay my tribute to the leadership, the patience, the courage, and the high intelligence of Dean Rusk. I express appreciation for the fine cooperation and complete unity which obtained among the members of the congressional delegation who went to Punta del Este, understanding thoroughly, I believe, what the American people are determined to have vis-a-vis communism, and who did not hesitate for 1 minute to stand firmly and vigorously in support of those very principles for the elimination of communism and its threat in this hemisphere. It was a stimulating experience for me. As I said a while ago, I have attended a number of these conferences. This was one of the most complicated conferences I have ever attended. The display of cooperative effort and vigorous unity achieved one of the most satisfactory results I have ever experienced.

Mr. DWORSHAK. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. Was there any discussion of the Alliance for Progress program at the Conference held recently in Uruguay?

Mr. HICKENLOOPER. Practically none. In a collateral way it was mentioned. It was always present as a part of the cooperating effort between hemispheres; but basically this Conference was concerned and preoccupied with the Communist threat and what we were going to do about it in order to achieve unity, because we realized that unless we had unity in fighting and opposing the Communist threat, the alliance for progress could not make any progress at all, even in a general way.

Undoubtedly the question of the alliance for progress will come up at a later date. I think some countries will progress a little more than others, and some countries may ally a little more than others. However, that question will come up at a later date.

Mr. KUCHEL subsequently said: Mr. President, I would be recreant in the performance of my duty if I did not salute the Senator from Oregon [Mr. MORSE] and the Senator from Iowa [Mr. HICKENLOOPER] for the splendid contributions they made at Punta del Este and also here on the floor of the Senate today. I was called from the Chamber at the time when other Senators spoke on this matter, but I desire publicly to express my very real gratitude about the success which has been achieved, a success in which both of these Senators participated.

Mr. MORSE. Mr. President, I deeply appreciate the kindly and flattering remarks of the Senator from California; but I wish the Record to show—as he knows that I believe it to be true—that the Senator from California [Mr. KUCHEL] is one of the great students in this body on Latin American affairs. In fact, in times past he and I have worked on some Latin American matters; and I had the privilege of serving with him on the delegation when the two of us represented the Senate at the inauguration of the present President of Mexico. Let me say that it means a great deal to me to have the confidence of the Senator from California.

I repeat what I said earlier today, namely, that the Senator from Iowa [Mr. HICKENLOOPER] was a tower of strength on this delegation. Furthermore, let me say that I am always pleased when I can help bring back to the Senate a unanimous report; and throughout the Conference we stood in complete unanimity.

Mr. KUCHEL. I am sure that was so, Mr. President; and I merely wish to reflect the thinking of all colleagues of the Senator, by the manner in which I have endeavored to express that feeling.

Mr. JAVITS. Mr. President, I desire to join my colleagues in expressing to the Senator from Oregon [Mr. MORSE] what I think is the debt of the entire Nation for his outstanding and historic service on the delegation at Punta del Este.

Mr. MORSE. I thank the Senator very much.

FOOD AND AGRICULTURE ACT OF 1962

Mr. ELLENDER. Mr. President, I introduce, for appropriate reference, the administration's farm bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2786) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, introduced by Mr. ELLENDER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a digest of the bill. The bill is rather voluminous, but I think its provisions will be made clear when the committee of which I am chairman, and which has charge of the bill, proceeds to hold hearings on the bill.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

DIGEST OF FOOD AND AGRICULTURE ACT OF 1962

I. Land-use adjustment (title I of the bill).

1. Amends the Soil Conservation and Domestic Allotment Act:

(a) By repealing certain provisions of sections 7 and 8 of the act, the effect of which would be to provide permanent authority for a Federal agricultural conservation program under sections 7 to 17 of that act. Section 8 of the act authorizes a Federal program only until January 1, 1963, after which it is contemplated that the program authorized by sections 7 to 17 would be carried out under State plans approved by the Secretary.

(b) By providing new authority to promote the conservation and economic use of land through long-term agreements with farm operators and owners under which payments would be made for changes in cropping systems and land uses, and for other measures for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. This authority could be used without regard to a number of limitations in the present law relating to distribution of funds to States, increases in small payments to producers, limitations on the size of payments, and prohibition against acquiring any right or interest in land.

2. Amends title III of the Bankhead-Jones Farm Tenant Act to include as a purpose the more economic use of land, including among other specified uses public recreation and fish and wildlife protection; and authorizes the Secretary to acquire any lands, or rights or interests therein, which he deems necessary to carry out the purposes of the title as amended except that land purchases are limited to those which will not have a serious adverse effect on the economy of county or community in which the land is located. The law now authorizes only the acquisition of submarginal land and land not primarily suitable for cultivation. The Secretary is also authorized to dispose of lands acquired under this title, as amended, to any agency or person, except that such authority would not be applicable to lands acquired in exchange for lands acquired prior to the date of this amendment.

3. Amends the Watershed Protection and Flood Prevention Act by providing that when a local organization agrees to operate and maintain any reservoir or other area for public fish and wildlife or recreational development, the Secretary would be authorized to bear the cost of the land, easements, or rights-of-way acquired by the local organization for such reservoir or other area. The Secretary would also be authorized to bear the cost of minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area for such purposes. There is also included authority for the Secretary to make advances to local organizations from funds appropriated for construction of works of improvement of the amounts required for the immediate acquisition of land, easements, or rights-of-way necessary for the preservation of sites for works of improvement from encroachment by residential, commercial, industrial, or other development.

II. Agricultural Trade Development (title II of the bill).

1. Amends title II of Public Law 480 (83d Cong.) to permit acquisition of commodities for title II programs from private stocks.

1. Amends title II of Public L

2. Amends title IV of such law to—

(a) Expand purposes for which sales may be made to include market development.

(b) Authorize Secretary to make sales to private trade for market development purposes in underdeveloped countries.

(c) Provide discretionary rather than mandatory authority under which other friendly supplying countries would be permitted to participate in supplying commodities.

(d) Make certain provisions of title I relating to foreign currency sales (use of private trade channels, special consideration to market development) applicable to sales under title IV of Public Law 480.

3. Adds a new title V to Public Law 480 to authorize multilateral food program through intergovernmental organizations.

(a) Authorizes use of surplus agricultural commodities from CCC stocks or from private stocks.

(b) Authorizes CCC to pay procurement costs, processing, packaging, transportation, handling and other charges up to time of delivery f.o.b. point of export.

(c) President required to secure commitment from international organization that reasonable precautions will be taken not to displace sales of U.S. agricultural commodities.

(d) Requires advance appropriations after June 30, 1963.

III. Marketing orders (title III of the bill).

1. Permits producer allotments or quotas for milk, turkeys, and turkey-hatching eggs as follows:

(a) The allotments or quotas for turkeys and turkey-hatching eggs would limit or restrict marketings or other disposition by producers on the basis of marketings during a representative period or current supplies available for marketing.

(b) Producer allotments for milk would be based upon marketings during a representative period and would not place a quantitative restriction on marketings or other disposition by producers but would result in a limitation on the price received for milk marketed in excess of such allotments. Where producer allotments are proposed for an existing milk order fixing minimum prices, coordinating pricing amendments must be considered and producer disapproval of the revised order with allotment provisions would not affect the existing order. If milk quotas are established the supply-demand pricing standard of section 8c(18) would not apply but instead the parity standard now applicable to other commodities would be used, and a standard for pricing milk for fluid use is provided. Provision is made that the Secretary shall suspend milk allotment regulation if he finds that consumer interests are not being protected by reason of excessive prices being received by producers or an inadequate supply of fluid milk being available. Where national quotas are made effective for milk under other statutory authority provision is made for coordinating the penalty provisions of such national quota program with a milk marketing order.

(c) When producer allotments are in effect coordinating handler allotments are authorized.

(d) Special procedure is provided for producers seeking review of allotments which permits the use of local committees.

2. Authorizes marketing research and development programs for milk orders heretofore limited to commodities other than milk with provision that producer approval of such programs shall be separately determined and the cost thereof may be assessed against milk producers.

IV. Feed grains (title IV, subtitle A of bill).

1. Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses, and exports; less estimated imports and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carryover or to meet national emergency or increase in demand.

2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production in noncommercial area and on increased acreages resulting from the small-farm exemption, produce the national marketing quota.

3. The national acreage allotment (less small reserves to take care of "missed" farms and new farms) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains produced during the base period as adjusted.

(a) Base period for 1963-65 crops is 1959-60; for subsequent crops, the 2 most recent calendar years for which statistics are available.

(b) Adjustments in farm bases authorized for abnormal conditions.

4. Farms with feed grain base (i.e., average acreage during base period) of 25 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he can plant up to his base, but he is not eligible for land-use payments or price support.

5. All producers who have a feed grain base established for their farm would be eligible to vote in referendum except a producer with feed grain base of 25 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.

6. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of the parity price per bushel.

7. Secretary may permit wheat to be planted as a substitute for feed grains and count it against the feed grain allotment.

8. Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains.

(a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land.

(b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.

(c) The Secretary may permit the diverted acres to be grazed.

9. The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from feed grains.

(a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.

(b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 20 acres.

10. Level of price support for feed grains would be between 70 and 90 percent of parity as determined by the Secretary.

(a) If marketing quotas are in effect for feed grains, price support on feed grains

would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8.

(b) No price support if marketing quotas are voted down by producers.

11. If marketing quotas are disapproved by producers, CCC authorized to sell up to 10 million tons of feed grains for unrestricted use at market prices.

12. Effective date of feed grain provisions: 1963 crops and thereafter.

V. Wheat (title V, subtitle B of the bill).

1. Secretary would proclaim a national marketing quota equal to total yearly requirements for wheat for human food, seed, and exports, less estimated imports, and, if CCC stocks are excessive, less such amount as the Secretary determines to be necessary. Secretary could increase quota to assure adequate carryover or to meet national emergency or increase in demand.

2. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, together with production in noncommercial area and on increased acreages resulting from the small farm exemption, produce the national marketing quota.

3. The national acreage allotment (less small reserves to take care of new farms) would be apportioned to the States and counties, on the basis of the average acreage of wheat produced during the last 5 years. The county allotment would be allocated to farms on the basis of past acreage of wheat, tillable acres, etc.

4. Farms with an average acreage of wheat during 1960 and 1961 (or other representative period) of 15 acres or less would not be subject to program unless producer elects to be subject to it. If producer does not so elect, he may plant up to such base, but he is not eligible for land-use payments or price support.

5. All producers who have a farm acreage allotment would be eligible to vote in referendum except a producer with farm base of 15 acres or less who does not elect to be subject to the program. Two-thirds vote required in order to have quotas.

6. Production on excess acreage of wheat would be subject to a marketing penalty at the rate of 65 percent of the parity price of wheat per bushel.

7. Secretary may permit feed grains to be planted as a substitute for wheat and count it against the wheat allotment.

8. Producers would be required to devote to conservation uses an acreage on the farm in proportion to the amount by which the national acreage allotment is reduced below 55 million acres.

(a) Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow, and idle land.

(b) A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as not being in surplus supply or one which will not substantially impair the purposes of the program.

9. The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from wheat.

(a) The Secretary could permit producers to divert an acreage, in addition to the acreage required to be diverted as explained in item 8, equal to 20 percent of the farm acreage allotment.

(b) Producers may, at their election, divert such acreage, in addition to the acreage diverted as explained in item 8, as will bring the total diverted acreage to 15 acres.

(c) The Secretary may permit the diverted acres to be grazed.

10. Each farm would receive a wheat marketing allocation, on which marketing cer-

tificates would be issued, equal to the number of bushels obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the wheat crop which will be used during the marketing year for (i) human food in the United States less a portion of the number of bushels reserved for reducing CCC stocks and (ii) that portion of the exports on which the Secretary determines that certificates will be issued.

(a) The marketing certificates would have a value per bushel equal to the difference between the price support on noncertificate wheat and the price support on certificate wheat. Export certificates could have a different value from that of domestic certificates.

(b) Marketing certificates acquired from the producer must be accompanied by an equivalent amount of wheat. Marketing certificates would be required to cover (i) wheat products marketed for human consumption in the United States, and (ii) wheat and wheat products exported.

(c) CCC would be authorized to buy and sell marketing certificates. CCC would be authorized to establish discounts and premiums not exceeding 5 percent of the face value of the certificate in order to encourage the purchase and sale of such certificates through commercial channels.

(d) The Secretary would establish conversion factors to determine the amount of wheat contained in any food product.

(e) Penalties are provided for failure to acquire certificates, and other violations.

11. Level of price support for wheat accompanied by domestic certificates would be between 75 and 90 percent of parity as determined by the Secretary; level of price support for wheat accompanied by export certificates would be not more than 90 percent of parity as determined by the Secretary; and level of price support for noncertificate wheat would be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

(a) If marketing quotas are in effect for wheat, price support on wheat would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8. If excess wheat is stored, producer may receive price support on wheat produced within allotment.

(b) No price support if marketing quotas are voted down by producers.

12. If marketing quotas are disapproved by producers, CCC authorized to sell up to 200 million bushels of wheat for unrestricted use at market prices.

13. Effective date of wheat provisions: 1963 crops and thereafter.

VI. Dairy (title IV, subtitle C of bill).

1. Removes present requirement that butterfat and its products be supported at a separate level and provides that milk be supported through loans on or purchases of milk and the products thereof.

2. Establishes new criteria for price support and limits the support level to that which the Secretary determines will not result in acquisition of stocks (i) in excess of those which can be utilized in the national interest, including school lunch, domestic levels and foreign assistance, or (ii) having a total acquisition cost in excess of \$300 million if marketing allotments are not in effect, or in excess of \$300 million plus an amount equal to the surplus marketing fees collected if marketing allotments are in effect.

3. Authorizes the establishment of producer marketing allotments and a referendum thereon if the Secretary determines that the desired level of support cannot be achieved without marketing allotments. Au-

thorizes the Secretary to review his determination of the national marketing allotment and to (1) increase such allotment if there has been substantial increase in factors upon which it was based and (2) subject to producer referendum, to reduce such allotment if there has been a substantial reduction in any of such factors. If more than one-third of producers vote down the allotment in any such referendum, price support will be at level determined to be in effect without marketing allotments.

4. Provides for:

(a) Each producer to have a marketing base equal to his sales during 1961 or such other 12-month period as the Secretary deems more representative.

(b) Allocation of this marketing base among quarterly or other marketing periods of the marketing year, to match his pattern of marketing in 1961, adjusted so as to permit him to carry out his herd management plan.

(c) Adjustments of the marketing base for abnormal conditions, deficient production areas, and other factors.

(d) Transfer of marketing bases.

(e) Authorize Secretary to use funds available for price support of dairy products to purchase and cancel marketing bases voluntarily offered for sale by producers.

5. Authorizes producer marketing allotments. A national marketing allotment is to be established by the Secretary equal to the quantity of milk needed to meet domestic commercial and welfare needs, and export requirements, including foreign assistance. A producer's marketing allotment is that percentage as the national marketing allotment for milk during the marketing period is of the aggregate of all producers' marketing bases for such period. The Secretary may establish minimum allotments if such action would not impair effective operation of programs.

6. Provides for:

(a) A surplus marketing fee on all milk marketed in excess of allotments.

(b) Such fee to be in that amount, not more than \$2.75, as the Secretary determines necessary to yield a fund sufficient to cover any acquisition costs in excess of the smaller of (i) \$300 million or (ii) the acquisition cost of those quantities of dairy products which can be utilized in the national interest, including school lunch, domestic welfare and foreign assistance.

(c) Refunds of any overpayment by the producer of his surplus marketing fee.

7. Establishes a Dairy Stabilization Advisory Committee of 21 members, 15 producer-members to be elected from 15 dairy districts and 4 industry members to be appointed by the Secretary from processors, marketers, cooperatives, dairy associations, and farm organizations, and 1 member appointed by the Secretary to represent consumer interests, and 1 from the Department of Agriculture.

8. Provides that the level of support for the 1962 marketing year in effect when this act becomes effective shall not be changed until producers have voted in a referendum on marketing allotments.

VII. General (title V of the bill).

1. Amends the Consolidated Farmers Home Administration Act of 1961 as follows:

(a) Adds long-term and short-term loans to individual farmers for recreational uses of land.

(b) Adds to section 306 of the act loans and planning authority to associations and public bodies, for development and improvement of sewers, primarily serving rural residents, and for changes in land use for conservation measures, including recreational facilities.

(c) Increases amount of insurance fund available under section 309(f)(1) of the act for making loans to be sold and insured from \$10 million made and undisposed of at any one time to \$25 million.

2. Amends section 3 of the Rural Electrification Act of 1936, as amended, to establish a single fund account to be used for all REA loans. This account would include all appropriations and funds borrowed from the Treasury under authorization contained herein, as well as all funds to be collected under outstanding loans. There would also be transferred to the account all notes, mortgages, and other obligations of electrification and telephone borrowers. The amended section would continue the authorization for appropriations and also for the Administrator to borrow funds from the Secretary of the Treasury. The amounts to be loaned in any one fiscal year would continue to be subject to annual provision therefor by the Congress in appropriation acts. The funds in the account will also be available for the payment of principal and interest to the Treasury.

Mr. ELLENDER. Mr. President, I am again troubled with my throat. I shall not be able to talk too long. I have just returned from the hospital for a little checkup. I still have the "dog tag" on me. I did not observe it until just now. Such a tag is attached to one when he goes to the hospital. I went there for a checkup; fortunately I think everything is all right.

The objectives of the new program, as indicated by the President and enunciated by the provisions of this bill, are first, to make maximum use of our productive abundance; second, to seek a balance between production and requirements that will avoid the waste of private effort and public resources; third, to provide for conservation of our land and water resources; and fourth, to initiate and expand programs for the development of human resources and renewal of rural communities.

Mr. President, as I understand the bill, this is not an attempt by the Government to regiment farmers, to stifle initiative, or to impose programs upon agriculture.

I say that, Mr. President, because as I envision the new commodity programs, they seek to impose the same rules and regulations as those now applied to cotton, rice, and tobacco. It is true that it means a curtailment of acres and acreage allotments, but this program cannot become effective unless and until two-thirds of those who grow these commodities vote that they desire to have the program applied.

As the President has said:

This is a program for maximum freedom and flexibility in the operation of individual farm enterprises. Improvements in farming efficiency as well as shifts among enterprises must not only be allowed—they must be encouraged. They are in the long-run national interest; they are consistent with this program's overall objectives.

The new commodity programs recommended could become effective only after they are approved democratically by a two-thirds majority in a producer referendum. Producers of cotton, tobacco, rice, peanuts, and wheat have long followed this procedure of choosing jointly to exert a measure of control over the production and marketing of their crops, just as industry groups exercise control over the product of their labor and investment. This democratic procedure can be extended to other farm commodities.

I express the hope, Mr. President, that those who will be called upon to testify or who offer to testify will not merely assume a negative attitude, as has been

the case in the past, but that they will offer constructive testimony to the end that the purposes of the legislation will accomplish the goals outlined by President Kennedy.

Mr. President, I certainly hope that the farm organizations will not vie with each other as to the program we should have. I express the hope that these organizations, which are supposed to represent the farmers, will make an effort to work together, so that the Committee on Agriculture and Forestry can devise a much needed bill which will cut production and lower Government costs.

This bill provides for, first, feed grain and wheat marketing quota, land diversion, and price support programs; second, a dairy allotment and price support program; third, producer allotments for milk, turkeys, and turkey hatching eggs under marketing orders; fourth, land use adjustment directed toward conservation and more economic use, including recreation and fish and wildlife protection; fifth, amendment of Public Law 480 to provide broader authority for the disposal of surplus agricultural commodities; and, sixth, miscellaneous provisions dealing with marketing research and development projects for milk, loans for recreational facilities and sewers, use of the Agricultural Credit Insurance Fund for direct loans for immediate resale, and budgetary handling of REA loan funds.

Mr. President, by merely reading a list of provisions of the bill, I can point out a few which are very controversial. As a matter of fact, last year we held hearings on some of them, and they were stricken from the bill we then considered. But there is no doubt in my mind that something must be done to prevent an accumulation of more of the commodities which we now have in such large surpluses, and which may increase in the future if Congress were not to pass a law such as the one incorporated in this measure or one which may be suggested by interested parties as the committee holds its hearings on the bill.

Title I of the bill provides for land use adjustment. Under it the present authority of the Secretary of Agriculture to administer the agricultural conservation program would be made permanent. The Secretary would be authorized, through acquisition and contract, to bring about the more economic use of land for conservation, recreation, fish, wildlife, and other purposes. The Watershed Protection and Flood Prevention Act would be amended—

to authorize the Secretary to bear the cost of land for reservoirs or other areas used for public recreation, fish, or wildlife development, together with the cost of facilities needed for access to, and use of, such areas;

to authorize the Secretary to advance funds for the immediate acquisition of lands needed for the work of improvement before they are devoted to other uses; and

to base the local share of the project installation cost upon "national needs and assistance authorized for similar purposes under other Federal programs" instead of "direct identifiable benefits."

Mr. President, this provision simply incorporates what is now the law with respect to flood-control projects. We propose that it now be applied with respect to watershed and flood prevention projects.

Title II of the bill amends Public Law 480 to broaden the authority to dispose of surplus agricultural commodities. It would permit commodities from private stocks to be acquired and donated to foreign countries under title II of Public Law 480. Title IV of that act, which provides for the sale of surplus agricultural commodities on long-term credit in order to permit the recipient country to use its funds for current economic development, would be amended—to make market development a purpose of such sales; to authorize such sales to the private trade; to provide for reasonable, instead of approximately equal, annual payments; to permit the beginning of the repayment period to be deferred 2 years; to provide discretionary, rather than mandatory authority for permitting participation by other supplying countries; and to require use of private trade channels and special consideration for market development.

A new title V would be added to the act, to authorize grants of surplus agricultural commodities from private or Government stocks to intergovernmental organizations for use in programs of economic development, emergency assistance, and special feeding.

Title III amends the marketing order law to permit marketing orders for turkeys, turkey, hatching eggs, and milk to contain provision for producer allotments.

That is a very contentious subject; and I certainly wish that those who do not favor this method would come forward with something better, if they can, because something must be done. During the present year we will purchase, under the Commodity Credit Corporation, more than \$500 million worth of butter, cheese, and dried milk. This program cannot possibly continue in the direction in which it is now proceeding unless we amend the law in such a way that we can regulate the production of milk. Those farmers producing in marketing areas which do not want to be regulated do not have to be included in the program under this law.

Title III would also permit marketing orders for milk to provide for marketing research and development projects, as is now permitted for other commodities.

Title IV provides programs for feed grains, wheat, and dairy products.

Subtitle A of title IV provides for marketing quotas, land diversion, and price support for feed grains, beginning with the 1963 crop. The program would cover corn, grain sorghums, oats, barley and, at the discretion of the Secretary, rye.

A national marketing quota would be proclaimed for 1, 2, or 3 years whenever the supply is likely to be excessive. The quota would be an amount calculated to result in such reduction, if any, in Commodity Credit Corporation stocks

in such year as the Secretary deemed desirable and to provide an adequate carryover. It could be increased or terminated, if necessary because of a national emergency or material increase in demand. The quota would be converted into a national acreage allotment and apportioned to States, counties, and farms on the basis of their base acreages. For the 1963 through 1965 crops, the base acreages would be the adjusted average plantings in 1959 and 1960. Thereafter, the base acreage years would be the two most recent calendar years for which quotas were in effect and for which statistics were available. Quotas and allotments would be ineffective if disapproved by more than one-third of the producers voting in a referendum.

Up to 1 percent of the national allotment could be reserved to increase county allotments on the basis of relative needs because of reclamation and other new areas coming into production. Up to 3 percent of each State allotment could be reserved for farms which, through error, failed to receive allotments, for farms receiving inadequate allotments, and for new feed grain farms.

Any farm with a feed grain base of 25 acres or less, unless it elected to be subject to its allotment or exceeded its base, would be exempt from quotas, land diversion, price support, and the quota referendum.

In order to facilitate administration, the program could be restricted to a commercial feed grain area determined by the Secretary. Producers violating their allotments would be subject to penalty at the rate of 65 percent of parity, on an amount equal to twice the normal production of their excess acreage, or, if established by the producer, an amount equal to the actual production of the excess acreage. If more than one feed grain were produced, the penalty would be computed for the feed grain which would result in the highest penalty. The Secretary could permit wheat to be planted on a farm's feed grain allotment.

Feed grain producers would be required to divert an acreage of cropland equal to the excess of the farm's feed grain base over its acreage allotment. This acreage could not be planted to any crop in surplus or which might impair the program, unless the farm abandoned feed grain production and did not participate in the payment program. Penalties for violation of this restriction would be computed on the basis of 65 percent of the parity price for the principal feed grain produced in the county, the normal yield of such feed grain, and the acreage in violation.

Payments could be made during 1963, 1964 and 1965 for such required diversion at fair and reasonable rates. In order to qualify for payment, the diverted acreage would have to be devoted to conserving uses, and the total acreage on the farm devoted to conserving uses would have to be increased by the amount of such acreage. The Secretary might permit an additional acreage equal to 20 percent of the farm acreage

allotment to be similarly diverted and paid for. Any producer could elect to divert additional acreage to bring the total diversion to 20 acres and receive payment therefor.

The price support level for corn would be fixed at from 65 to 90 percent of parity—which, by the way, is the same as for rice and cotton—with price support for other four feed grains at reasonable levels in relation to corn. Prices support and diversion payments would be available only if quotas were not disapproved, and only to producers in the commercial area who complied with diversion requirements, did not violate any acreage allotment other than wheat, and, in the case of a wheat acreage allotment violation, disposed of any wheat marketing excess in such manner as to postpone or avoid payment of penalty.

Subtitle B or the title IV provides for marketing quotas, land diversion, price support, and marketing certificates for wheat, beginning with the 1963 crop.

The wheat marketing quota and land diversion provisions of the bill are generally similar to those for feed grains. Quotas for one, two, or three years would be proclaimed when the supply was likely to be excessive, and would be calculated to reduce Commodity Credit Corporation stocks and provide an adequate carryover. The present 55 million acre minimum allotment would be repealed. A farm with a small farm base acreage of 15 acres or less, unless it elected to be subject to its allotment or exceeded its base, would be exempt from quotas, land diversion, price support, and the quota referendum. The Secretary could permit feed grains to be planted on wheat allotments.

A diversion program generally similar to that for feed grains is provided for. The required diversion would be based on the amount by which the national allotment is less than 55 million acres. Payments could be made in 1963, 1964, and 1965 for the required diversion and, if the Secretary saw fit, for diversion of an additional 20 percent of the allotment. The producers on the farm could elect to divert and receive payment for such additional acreage as might bring the total diversion to 15 acres.

Subtitle B also provides for a wheat marketing allocation program. Under this program producers would receive domestic marketing certificates for the amount of wheat to be used for domestic food, less not to exceed 50 percent of the reduction in Commodity Credit Corporation stocks desired to be effected by the allotment; and export marketing certificates for a sufficient portion of estimated exports to achieve the price and income objectives of the program.

Each farm's share of domestic marketing and export certificates would be based upon its acreage allotment and estimated yield and the total amount of wheat for which certificates were to be issued to producers. Processors and exporters would be required to acquire domestic and export certificates, respectively, for wheat processed or exported by them. Domestic and export certificates would have values equal to the respective amounts by which the price

support levels for domestic and export certificate wheat exceed the support level for noncertificate wheat. The price support level for domestic certificate wheat would be between 75 and 90 percent of parity. The price support level for export certificate wheat would be not more than 90 percent of parity.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MORSE. Would not the wheat proposal have a good many of the characteristics of the two-price wheat plan which the Senator from Kansas [Mr. CARLSON] and the Senators from Oregon have been urging on the Senate for some time?

Mr. ELLENDER. The Senator is correct.

Mr. MORSE. Yes. I commend the Senator very highly for the inclusion of this principle in the bill.

Mr. ELLENDER. There was quite a tussle over it. It was finally included. I am very hopeful we can get a bill enacted, even though it is on a trial basis. I think something ought to be done to get rid of our surpluses without affecting the income of the farmers too greatly.

The price support level for noncertificate wheat would be determined after consideration of the world price for wheat and the support level for feed grains. Commodity Credit Corporation would be authorized to issue, buy, and sell certificates in order to facilitate operations of the program. Farms in the noncommercial area would receive marketing certificates as deemed appropriate by the Secretary. Price support and diversion payments would be limited to producers in the commercial area who complied with diversion requirements, did not violate any acreage allotment other than wheat, and in the case of a wheat acreage allotment violation disposed of any wheat marketing excess in such manner as to postpone or avoid payment of penalty. No price support would be available if quotas were disapproved by producers. Support would be available at 75 to 90 percent of parity in accordance with existing law for any crop for which quotas were not proclaimed.

Substitute C of title IV provides for price support for milk instead of separately for milk and butterfat. The level of support could not exceed 90 percent of parity and could not be such as would result in the acquisition of quantities in excess of those utilizable in the national interest, including school lunch, domestic welfare, and foreign assistance and having a total cost in excess of \$300 million, plus an amount equal to the surplus marketing fees collected under a marketing allotment program.

Subject to approval in a producer referendum, marketing allotments would be in effect whenever the price support level determined appropriate by the Secretary would result in an acquisition cost in excess of \$300 million. The national allotment would be such as to make available a supply equal to domestic consumption and exports and an ade-

quate carryover. Each producer would have a marketing base equal to his marketings during 1961 or such other 12-month period as might be deemed more representative. The marketing base would be apportioned among the marketing periods within the marketing year and the producer's allotment for each period would be a uniform percentage of his base, so that the total of all producer allotments for the year would equal the national allotment. The marketing of milk in any period in excess of the allotment would be subject to a surplus marketing fee fixed by the Secretary for the period at not more than \$2.75 per hundredweight.

If marketing allotments are disapproved by producers, price support would be made available at a level which would not result in acquisition of stocks costing in excess of \$300 million.

A Dairy Stabilization Advisory Committee would be established to advise the Secretary with respect to administration of the program.

Title V of the bill would—

Provide for FHA real estate and operating loans to farmowners or tenants for recreational facilities;

Provide for loans and planning assistance to associations for recreational facilities and sewers;

Increase the amount of direct real estate loans for immediate resale which can be made from the agricultural credit insurance fund from \$10 million to \$25 million; and

Establish a single loan fund for REA loans to include funds appropriated, borrowed from the Treasury, or received in repayment of loans, so that appropriations would not lapse and repayments would not be covered into the Treasury. The fund could be used however only in amounts authorized in appropriation acts.

Mr. President, no one can doubt the need for corrective legislation in the case of feed grains, wheat, and dairy products. On June 30 of last year, the U.S. Government had a total of \$2.7 billion invested in 1.4 billion bushels of wheat. Since only about 1.2 billion bushels are needed for both domestic and export requirements, this means that we have a surplus in excess of a full year's supply.

In the case of feed grains, the Government had \$3.3 billion invested in about 2.5 billion bushels—almost a 6-month supply.

While it is anticipated that the temporary programs in effect for wheat in 1962 and for feed grains in both 1961 and 1962 will cause some reduction in these excess supplies, the fact remains that we will still have substantially more of these commodities than are needed for normal carryover. Further, if corrective legislation is not passed by this Congress, both wheat and feed grains will revert to the old programs under which there was a constant build-up in supplies.

Senators will remember that previously this body has faced up to its responsibilities, and in both 1959 and 1960 passed legislation affecting wheat which would have resulted in cutbacks in both acre-

age and production had this legislation become law. There is no doubt in my mind that this body will again face up to its responsibilities and pass a realistic program for wheat, as well as for feed grains, which will be fair to producers as well as to consumers and taxpayers.

Some changes also appear necessary in the dairy program. As Senators know, present laws affecting dairy products provide for price supports at from 75 to 90 percent of parity and permit unlimited production. Farmers can produce as much as they wish, whether we need it or not, and get price supports on the entire production. Over the years this has been one of the most costly of the farm programs. Total price support losses on dairy products as of June 30, 1961, were in excess of \$2 billion. This does not include expenditures under the school milk program or the military milk program, which at the present time are costing about \$100 million in the case of the school milk program and about \$24 million in the case of the military milk program.

In the 1960-61 marketing year alone, purchases of dairy products by the Commodity Credit Corporation totaled about \$265 million. The President estimates that this year's purchases will be in the vicinity of a half billion dollars.

I have in the past stated on many occasions that this Government cannot continue to acquire stocks of agricultural commodities which are unneeded and extremely costly.

The President in his message said:

The Federal Government [cannot] be expected to undertake an indefinite program of large and unpredictable budget expenditures to acquire stocks of commodities that we do not need and cannot use. By the beginning of 1961—when the emergency legislation was introduced to reduce inventories—the Commodity Credit Corporation had over \$9 billion in loans and inventories. Carrying costs exceeded \$1 billion a year.

In my humble judgment, programs must be enacted which will result in getting supplies more in line with requirements and reduce the cost to the Government.

I am introducing this bill because, in my opinion, it is imperative that Congress study ways and means of correcting the ills of the present programs for these commodities. Extended hearings will have to be held in order to explore all ramifications and aspects of the proposed legislation.

While I am in agreement with the administration that corrective legislation is needed for certain crops, I do not agree completely with all of the details of the programs that are in the bill I offer for introduction. For example, it appears to me that some provisions related to dairying may well create more problems than they correct. Nor am I sure that certain of the wheat provisions will achieve the desired results. There are also certain other provisions in the bill with which I disagree. However, it is essential that the Congress begin to consider legislation in these areas for the reasons that I have stated.

I know that farmers do not want to continue programs that result in huge

expenditures by the Government for stocks of commodities that we neither need nor can use. In my judgment, the American farmer of today wants from his Government only such assistance which will enable him to market his crops at fair and reasonable prices. I hope that after due consideration the Committee on Agriculture and Forestry will be able to recommend to this body a program which will be realistic, as well as fair and reasonable to farmers and consumers.

I announce that the Committee on Agriculture and Forestry will have a meeting next Wednesday, February 7. At that meeting I shall ask the committee to begin hearings on the bill on or about February 14. I give notice now that those who expect to appear as witnesses should file their names with the committee so that a schedule may be arranged without too much delay.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes, I yield.

Mr. LAUSCHE. Recently I have received a number of communications dealing with the soft currency or counterpart funds that we have in the Federal Government. On page 2 of the Senator's paper, at which point he discusses title II of the bill introduced, I observe that he contemplates broadening the authority set forth in Public Law 480 to dispose of surplus agricultural commodities. The Senator from Louisiana stated that title II "would permit commodities from private stocks to be acquired and donated to foreign countries under title II of Public Law 480."

Will the Senator from Louisiana explain the purpose of that provision and whether or not it would, in fact, put the Government into expanded spending to get rid of the surplus rather than reduce the spending?

Mr. ELLENDER. The particular section to which my good friend from Ohio has referred was brought to the attention of the committee last year and was deleted.^a It is one of the provisions that I, as chairman of the committee, do not favor.

But I wish to point out to my good friend that, under the law as it now stands, when the Government disposes of commodities under that law, they must be in surplus. Only surplus commodities may be sold or given away under the four titles of Public Law 480. Under section 32 of Public Law 320 of the 74th Congress in the past we have been able to get rid of much of the food that we are now talking about, that is, from private stocks. Private stock food does not mean any kind of food. It must be in surplus and not owned by the Commodity Credit Corporation.

Mr. LAUSCHE. Is it not a fact that under Public Law 480 there are four divisions under which food may be disposed of?

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. One of the important aspects of the law is that soft currency or counterpart funds may be used.

Mr. ELLENDER. The Senator refers to title I.

Mr. LAUSCHE. Funds from foreign countries.

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. The provision to which I referred in title II of the bill introduced by the Senator from Louisiana would expand operations under Public Law 480.

Mr. ELLENDER. It could, but within the present \$300 million limitation. Title II provides for gifts that might be made in case of disaster, but the limitation would still remain, even though the other food to which we referred would be included in the \$300 million.

Mr. LAUSCHE. Will the Senator from Louisiana state why that provision was deleted last year or 2 years ago? Why was it rejected?

Mr. ELLENDER. There was a great deal of opposition to the provision. As the Senator from Ohio stated, it was believed that such a provision would expand the program too much. Many countries would become dependent upon us to a greater extent than they would if we were to limit the program to wheat, corn, and other staple crops.

Mr. LAUSCHE. Then my statement is correct, that, rather than reducing the cost, title II will expand the cost. Is that correct?

Mr. ELLENDER. There is no doubt about it.

Mr. LAUSCHE. I have one further question to ask of the Senator. Is the Senator familiar with the accuracy of our accounts covering the soft currency or counterpart funds that we have in the various countries?

Mr. ELLENDER. To a large extent I am. I would say that as a result of my investigations last year we were able to incorporate into the present law a provision which requires us to sell at the current going rate of exchange of these countries, not at the fixed legal rate. To be specific, I had an investigation made last year by a staff member of our Committee on Appropriations with respect to sales made in Brazil. He found, for example, where, even though cruzeiros were selling at the rate of 450 to a dollar, we negotiated sales at the exchange rate of 51 cruzeiros to the dollar. That cannot happen any more under the law, as I understand it, because we clamped down on it. It is my hope that the State Department will not find a loophole through which to get around it, although a good many people who represent us in these negotiations will go a long way in order to make sales.

Mr. LAUSCHE. Is the deduction accurate that the Senator has become concerned about the quantity of the counterpart funds that we have and the manner in which they are being spent?

Mr. ELLENDER. Yes, indeed. Here is something else we did. Because of the huge amount that has accumulated, these counterpart funds were used by the banks in the host country without paying any interest. In many instances, these banks held millions of these local currencies, and they loaned the money out at 15 to 20 percent interest. However, Uncle Sam did not get anything for it. We have changed that situation

to some extent. I am hopeful that it will work, to the end that a fair amount of these funds will be used and that we will get a fair return of interest on the money.

Mr. LAUSCHE. What is the understanding of the Senator as to the quantity of the counterpart funds we have?

Mr. ELLENDER. It depends on the countries to which the Senator is referring, because under Public Law 480 it is not very excessive, except in perhaps two or three countries. One of them is Pakistan. There may be an excess in Poland also. However, we have other counterpart funds for sales of goods made during World War II and since. I do not recall the exact amount, but I can say to the Senator that it is quite a huge sum.

Mr. LAUSCHE. It is a huge sum. The thought I have is that so far as the counterpart funds are concerned we will find a similar situation to what was found in connection with the stockpiling of strategic materials. I have not been able to find out what the quantity of counterpart funds is. My belief is that we are artificially trying to find ways and means of getting rid of those funds. They are running out of our ears. We do not know what to do with them. I believe that the time is at hand when just as an investigation is to be made on the stockpiling of strategic materials, we should investigate the piling up of counterpart funds and the methods that have been used.

Mr. ELLENDER. That is being done right now. Up to the present, a member of our staff has visited 7 of the 20 countries in South and Central America. We propose to have that investigation continued. I recall that I brought this matter to the attention of the Senate 5 or 6 years ago. In Greece and in South Korea we had canceled out much of these counterpart funds because of the effect they were having on the stability of the currency of the host country in which we had the money. I do not want to have that happen again.

Mr. LAUSCHE. I understood the Senator to say that there are certain aspects of the proposed bill with which he does not agree. Why have we abandoned the program that was so vigorously fought for last year, and are now apparently substituting a new program?

Mr. ELLENDER. We are not doing that. The program we had last year expires this year, and we are merely reenacting it with a few little changes. That is what we are doing.

Mr. LAUSCHE. Did we reduce the surplus supplies by last year's bill?

Mr. ELLENDER. We did.

Mr. LAUSCHE. Was the cost greater under last year's act than it was under previous acts?

Mr. ELLENDER. We have reduced the production of corn and other feed grains by well over 250 million bushels. We do not have to pay storage on that amount. However, if we had not had that program, the chances are that in addition to what we had when we ended last year we might have had from 500 to 600 million bushels more. This year, for the first time since the program

started, we have had a cutback in the number of bushels on hand.

Mr. LAUSCHE. I thank the Senator.

Mr. ELLENDER. As I said, the administration's new program makes the program we had last year on corn and other feed grains more or less permanent as well as mandatory, with a few other changes included. I am sure the changes will receive opposition on the part of some farmers in the Senator's State.

Mr. LAUSCHE. Yes; I think they will.

Mr. ELLENDER. The changes we are making apply to milk sales as well as to corn. We say that a farmer should not expect his Government to give him price support unless he is willing to cut back his acres or his milk production. That is what the bill provides for. It is done in a democratic way. We have succeeded in doing it very well in the case of cotton and in the case of rice and in the case of peanuts and in the case of tobacco. We hope to apply the same principle to corn growers and milk producers.

Mr. LAUSCHE. I should like to correct in a measure what the Senator from Louisiana has said. The Ohio farmer has not subscribed to the program of being put in a harness under the sop that if he will submit to the harness the Government will make a gift to him. The Ohio farmer to a substantial degree wants to be emancipated, and he will complain if there is any further attempt made to regulate him.

Mr. ELLENDER. If the Ohio farmer wishes to be emancipated—and no doubt there are others who feel the same way—all they have to do is to vote against it.

Mr. LAUSCHE. They have voted against it in a substantial degree.

Mr. ELLENDER. Then they will be emancipated, if enough of them vote against it, and they will be free to do what they want, but without price supports.

Mr. LAUSCHE. Yes; I understand that.

SUBSIDY FOR LEAD AND ZINC

Mr. LAUSCHE. Mr. President, in the closing days of the last session there was enacted a bill providing subsidies for the miners of lead and zinc. A similar bill was passed 2 years ago, and was opposed by me on the floor. It was also opposed by other Senators.

Two years ago the bill was vetoed. Last year the bill was signed into law. My recollection is that the bill provided payments for lead of 75 percent and for zinc of 55 percent of the difference between 14½ cents per pound and the market price whenever the latter fell below 14½ cents—current prices were 11 cents for lead, 11½ cents for zinc—the payments were limited to those producers who had not mined in any year since 1955 more than 3,000 tons, combined, of the two metals. The bill was accepted by administration officials after the 4-year limit was put on the program. A ceiling of \$16.5 million in subsidy payments for the 4-year program was included in the bill.

The Government was to make up the difference between the market price and

the guaranteed price set forth in the bill. The newspapers state that an investigation will be made of the strategic supplies in the possession of the Federal Government. With respect to the bill passed last year, no appropriations have been made to finance it. I have obtained information, which was in my possession both a year ago and 2 years ago, that the supply of lead and zinc in the possession of the Federal Government for its strategic stockpile are in such a quantity that the Government does not know what to do about them. The Government does not know how to get rid of these metals. Still, Congress passed a law a year ago to subsidize the mining of lead and zinc in the United States.

My deep belief is that no appropriations should be made to implement the bill which was passed last year. That bill is in complete conflict with the pronouncement made by the President of the United States the day before yesterday, concerning the need for reducing our strategic supplies. It is folly to say that we have too much lead and zinc, too much tungsten, and too much magnesium, while at the same time we pass laws to subsidize the mining and producing of more of those metals.

I shall have more to say about the lead and zinc bill as the session proceeds, and especially as the investigation moves forward on the subject of strategic materials.

AID FOR HIGHER EDUCATION

The Senate resumed the consideration of the bill (S. 1241) to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities and to authorize scholarships for undergraduate study in such institutions.

Mr. ERVIN. Mr. President, I submit an amendment to S. 1241. In doing so, I wish to make a short explanation of the purpose of the amendment.

The first amendment to the Constitution of the United States prohibits Congress from giving aid to any institution for the purpose of teaching the tenets of any religion. Under the bill in its present form, loans can be made to nonprofit institutions of higher learning which are operated by churches for the purpose of constructing facilities to be used for the teaching of the tenets of the faith of those particular churches. I think this clearly violates the provisions of the first amendment.

My amendment provides that loans under the provisions of S. 1241 shall be restricted to public colleges, that is, colleges supervised and operated by the public. This amendment will eliminate from the debate any controversy concerning the meaning of the first amendment to the Constitution and will make it certain that in passing the bill Congress will not be violating the provisions of that amendment, which each of its Members has sworn to uphold.

Mr. President, I ask that my amendment be printed and lie on the table until it is called up. I also ask unanimous

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued March 26, 1962
For actions of Mar. 23 and 24, 1962
87th-2d, Nos. 44 and 45

CONTENTS

Adjournment.....	10	Feed grains.....	17	Personnel.....	12
Animal disease.....	2	Foreign trade.....	4,15	Recreation.....	11
Appropriations.....	8	Grain.....	7,13	Soil bank.....	17
Dairy price supports.....	1	Hay harvesting.....	17	Transportation.....	6
Education.....	9	Interest rates.....	5	Water pollution.....	16
Exports.....	15	Patent fees.....	3	Wildlife.....	14

HIGHLIGHTS: House subcommittee voted to report committee print of feed grains section of farm bill. Sen. Keating opposed lowering price supports on dairy products, House subcommittee voted to report Labor-HEW appropriation bill.

SENATE - MAR. 23

1. DAIRY PRICE SUPPORTS. Sen. Keating stated that Secretary Freeman "has committed himself" to lowering dairy price supports on the first of April to 75 percent of parity and urged that supports not be lowered. p. 4498
2. ANIMAL DISEASE. Received a Kan. Veterinary Medical Assoc. resolution favoring continuation of the prohibition on the importation of cloven-hoofed animals and fresh meats thereof from counties where foot-and-mouth disease or rinderpest exists. p. 4527
3. PATENT FEES. Received from the Commerce Department a proposed bill "to fix fees payable to the Patent Office"; to Judiciary Committee. p. 4478
4. FOREIGN TRADE. Received from the State Department a report, "The Battle Act in New Times." p. 4477
5. INTEREST RATES. Sen. Proxmire criticized the continued rise in interest rates while "at the same time, low farm income is retarding the farmers from fulfilling needs that really could start America moving." pp. 4518-20

6. **TRANSPORTATION.** Sen. Gruening protested "a rank injustice perpetrated against the State of Alaska in the fixing of railroad freight rates to Alaska." pp. 4531-4

HOUSE - MAR. 23

7. **FEED GRAINS.** The "Daily Digest" states that the Livestock and Feed Grains Subcommittee of the Agriculture Committee "ordered reported favorably to the full committee a committee print of the feed grains subtitle for incorporation in H. R. 10010, the general farm bill." p. D203

8. **APPROPRIATIONS.** The Appropriations Committee voted to report (but did not actually report) the Labor-HEW appropriation bill for 1963. p. D203

9. **EDUCATION.** The Education and Labor Committee voted to report (but did not actually report) H. R. 10860, the proposed Adult Basic Education Act of 1962. p. D204

SENATE - MAR. 24

10. **RECESSED** until Mon., Mar. 26. p. 4578

ITEMS IN APPENDIX

11. **RECREATION.** Extension of remarks of Sen. Metcalf inserting an address by Dr. Ira Gabrielson and stating that it points out "the increasing demand for outdoor recreation exceeds the supply, unless there is imaginative land use planning ..." pp. A2255-7

12. **PERSONNEL.** Extension of remarks of Sen. Wiley stating that "unless civil service employees are provided adequate pay, it will be increasingly difficult to maintain -- and recruit -- the high-quality civil servants essential to carrying on the business of the people." pp. A2258-60

13. **GRAIN.** Extension of remarks of Rep. Rhodes inserting an article, "The Height of Folly," critical of the proposed shipment of grain to Red China. pp. A2260-1

14. **WILDLIFE.** Extension of remarks of Sen. Metcalf inserting a resolution adopted by the International Association of Game Fish and Conservation Commissioners urging immediate action to alleviate damage caused by the construction of highways which in many cases obstructs wildlife migration routes and destroys fish runs. p. A2263

15. **EXPORTS.** Extension of remarks of Rep. Pelly urging the tightening of controls on exports to Communist nations, including agricultural products. pp. A2267-8

16. **WATER POLLUTION.** Extension of remarks of Sen. Metcalf inserting part 2 of an article, "Conservation and the Construction of Public Roads." pp. A2268-9

BILLS INTRODUCED

17. **SOIL BANK.** S. 3062, by Sen. Young, N. Dak. (for himself and Sen. Burdick), to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain

[COMMITTEE PRINT NO. 11]

MARCH 23, 1962

MARKETING QUOTAS—FEED GRAINS

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE A—FEED GRAINS

3 SEC. 401. Subtitle B of title III of the Agricultural
4 Adjustment Act of 1938, as amended, is further amended by
5 inserting after part VI a new part VII as follows:

6 “PART VII—MARKETING QUOTAS—FEED GRAINS

7 “LEGISLATIVE FINDINGS

8 “SEC. 360. The production of feed grains is a vital
9 part of the agricultural economy of the United States. Feed
10 grains move almost wholly in interstate and foreign com-
11 merce in the form of grains, livestock, and livestock products.

1 “Abnormally excessive and abnormally deficient sup-
2 plies of feed grains on the national market acutely and
3 directly burden, obstruct, and affect interstate and foreign
4 commerce. When the available supply of feed grains is
5 excessive, the prices of feed grains are unreasonably low and
6 farmers overexpand livestock production to find outlets for
7 feed grains. Excessive supplies of feed grains cause the
8 marketing of excessive supplies of livestock in interstate and
9 foreign commerce at sacrificial prices, endanger the financial
10 stability of producers, and overtax the handling, processing,
11 and transportation facilities through which the flow of inter-
12 state and foreign commerce in feed grains, livestock, and
13 livestock products is directed. Deficient supplies of feed
14 grains result in substantial decreases in livestock production
15 and in an inadequate flow of livestock and livestock products
16 in interstate and foreign commerce, with the consequence of
17 unreasonably high prices to consumers and loss of markets
18 for producers.

19 “The principal grains used for livestock feed are corn,
20 barley, grain sorghums, and oats. Although certain feed
21 grains are better suited for production in some areas than
22 other feed grains, in general, one of several feed grains can
23 be grown on the same land. A marketing program which
24 provides for a single quota applicable to feed grains and
25 which permits producers to determine, within the quota,

1 which feed grains they shall produce will tend to effectuate
2 the policy of the Act and will permit producers the maximum
3 amount of freedom of choice consistent with the attainment
4 of the policy of the Act.

5 “The conditions affecting the production and marketing
6 of feed grains are such that, without Federal assistance,
7 farmers, individually or in cooperation, cannot effectively
8 provide for a balanced supply of feed grains and the orderly
9 marketing of feed grains in interstate and foreign commerce
10 at prices which are fair and reasonable to farmers and
11 consumers.

12 “The national public interest and general welfare require
13 that the burdens on interstate and foreign commerce above
14 described be removed by the exercise of Federal power.
15 Feed grains which do not move in the form of feed grains
16 outside of the State where they are produced are so closely
17 and substantially related to feed grains which move in the
18 form of feed grains outside of the State where they are pro-
19 duced, and have such a close and substantial relation to the
20 volume and price of livestock and livestock products in inter-
21 state and foreign commerce, that it is necessary to regulate
22 feed grains which do not move outside of the State where
23 they are produced to the extent set forth in this Act.

24 “The diversion of substantial acreages from feed grains
25 to the production of commodities which are in surplus supply

1 or which will be in surplus supply if they are permitted to be
2 grown on the diverted acreage would burden, obstruct, and
3 adversely affect interstate and foreign commerce in such
4 commodities, and would adversely affect the prices of such
5 commodities in interstate and foreign commerce. Small
6 changes in the supply of a commodity could create a sufficient
7 surplus to affect seriously the price of such commodity in
8 interstate and foreign commerce. Large changes in the
9 supply of such commodity could have a more acute effect on
10 the price of the commodity in interstate and foreign com-
11 merce and, also, could overtax the handling, processing, and
12 transportation facilities through which the flow of interstate
13 and foreign commerce in such commodity is directed. Such
14 adverse effects caused by overproduction in one year could
15 further result in a deficient supply of the commodity in the
16 succeeding year, causing excessive increases in the price of
17 the commodity in interstate and foreign commerce in such
18 year. It is, therefore, necessary to prevent acreage diverted
19 from the production of feed grains to be used to produce com-
20 modities which are in surplus supply or which will be in
21 surplus supply if they are permitted to be grown on the di-
22 verted acreage.

23 "NATIONAL MARKETING QUOTA

24 "SEC. 360b. (a) Whenever prior to June 20 in any
25 calendar year the Secretary determines that the total supply

1 of feed grains in the marketing year beginning in the next
2 succeeding calendar year will, in the absence of a marketing
3 quota program, likely be excessive, the Secretary shall pro-
4 claim that a national marketing quota for feed grains shall
5 be in effect for such marketing year and for either the
6 following marketing year or the following two marketing
7 years, if the Secretary determines and declares in such
8 proclamation that a two- or three-year marketing quota
9 program is necessary to effectuate the policy of the Act.

10 “ (b) If a national marketing quota for feed grains has
11 been proclaimed for any marketing year, the Secretary shall
12 determine and proclaim the amount of the national market-
13 ing quota for such marketing year not earlier than January
14 1 or later than June 20 of the calendar year preceding the
15 year in which such marketing year begins. The amount of
16 the national marketing quota for feed grains for any market-
17 ing year shall be an amount of feed grains which, during such
18 marketing year, the Secretary estimates (i) will be utilized
19 in the United States in the production of the volume of live-
20 stock (including poultry) and livestock products determined
21 to be needed to meet domestic consumption and export re-
22 quirements, (ii) will be utilized for human consumption in
23 the United States as food, food products, and beverages, com-
24 posed wholly or partly of feed grains, (iii) will be utilized
25 in the United States for seed and industrial uses, and (iv).

1 will be exported either in the form of feed grains or products
2 thereof; less (i) an amount of feed grains equal to the esti-
3 mated imports of feed grains into the United States during
4 such marketing year and, (ii) if the stocks of feed grains
5 owned by the Commodity Credit Corporation are determined
6 by the Secretary to be excessive, an amount of feed grains
7 determined by the Secretary to be a desirable reduction in
8 such marketing year in such stocks to achieve the policy of
9 the Act: *Provided*, That if the Secretary determines that
10 the total stocks of feed grains in the Nation are insufficient
11 to assure an adequate carryover for the next succeeding
12 marketing year, the national marketing quota otherwise de-
13 termined shall be increased by the amount the Secretary
14 determines to be necessary to assure an adequate carryover.

15 “(c) If, after the proclamation of a national marketing
16 quota for feed grains for any marketing year, the Secretary
17 has reason to believe that, because of a national emergency
18 or because of a material increase in the demand for feed
19 grains, the national marketing quota should be terminated or
20 the amount thereof increased, he shall cause an immediate
21 investigation to be made to determine whether such action is
22 necessary in order to meet such emergency or increase in the
23 demand for feed grains. If, on the basis of such investiga-
24 tion, the Secretary finds that such action is necessary, he
25 shall immediately proclaim such finding and the amount of

1 any such increase found by him to be necessary and there-
2 upon such national marketing quota shall be so increased or
3 terminated. In case any national marketing quota is in-
4 creased under this subsection, the Secretary shall provide for
5 such increase by increasing acreage allotments established
6 under this part by a uniform percentage.

7 "NATIONAL ACREAGE ALLOTMENT

8 "SEC. 360c. Whenever the amount of the national
9 marketing quota for feed grains is proclaimed for any mar-
10 keting year, the Secretary at the same time shall proclaim
11 a national acreage allotment for the crop of feed grains
12 planted for harvest in the calendar year in which such
13 marketing year begins. The amount of the national acreage
14 allotment shall be the number of acres which the Secretary
15 determines on the basis of expected yields and expected
16 underplantings of farm acreage allotments will, together with
17 (1) the expected production of feed grains in the noncom-
18 mercial area, if any, and (2) the expected production on
19 increased acreages resulting from the small-farm exemption
20 pursuant to section 360f, make available a supply of feed
21 grains equal to the national marketing quota for feed grains
22 for such marketing year.

23 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

24 "SEC. 360d. (a) The national acreage allotment for
25 any crop of feed grains, less a reserve acreage of not to

1 exceed 1 per centum thereof for use as provided in sub-
2 section (b) (2) of this section, shall be apportioned by the
3 Secretary among the several States on the basis of the base
4 acreage of feed grains for each State. The State base acreage
5 of feed grains shall be the average acreage of feed grains
6 in the State during the base period, adjusted pursuant to
7 subsection (d) of this section.

8 “(b) (1) The State acreage allotment for any crop of
9 feed grains, less a reserve acreage of not to exceed 3 per
10 centum thereof for use as provided in subsection (c) (2) of
11 this section, shall be apportioned by the Secretary among
12 the counties in the State on the basis of the base acreage of
13 feed grains for each county. The county base acreage of
14 feed grains shall be the average acreage of feed grains in the
15 county during the base period, adjusted pursuant to subsec-
16 tion (d) of this section.

17 “(2) The reserve acreage established pursuant to sub-
18 section (a) of this section shall be used by the Secretary to
19 make increases in county acreage allotments on the basis of
20 the relative needs of counties for an additional share of the
21 national acreage allotment because of reclamation and other
22 new areas coming into the production of feed grains.

23 “(c) (1) The county acreage allotment for any crop
24 of feed grains shall be apportioned by the Secretary, through

1 the county committee, among the farms in the county on
2 the basis of the base acreage of feed grains for each farm.
3 The farm base acreage of feed grains shall be the average
4 acreage of feed grains on the farm during the base period,
5 adjusted pursuant to subsection (d) of this section.

6 “(2) The reserve acreage established pursuant to sub-
7 section (b) (1) of this section shall be available:

8 “(A) For apportionment to farms which were eli-
9 gible to receive farm acreage allotments under this part,
10 but which through error did not receive such allotments;

11 “(B) For making increases in farm acreage allot-
12 ments on the basis of any one or more of the following
13 factors: tillable acres, type of soil, topography, estab-
14 lished crop-rotation practices on the farm, hardship, in-
15 equities in allotments, and such other factors as the Sec-
16 retary determines should be considered for the purpose
17 of establishing fair and equitable farm acreage allotments;
18 and

19 “(C) For apportionment to farms for which farm
20 acreage allotments were not determined because there
21 were no acreages of feed grains on such farm during
22 the base period on the basis of the following factors:
23 the suitability of the land for the production of feed

1 grains, the past experience of the farm operator in the
2 production of feed grains, the extent to which the farm
3 operator is dependent on income from farming for his
4 livelihood, the production of feed grains on other farms
5 owned, operated, or controlled by the farm operator,
6 and such other factors as the Secretary determines should
7 be considered for the purpose of establishing fair and
8 equitable farm acreage allotments.

9 “(d) In determining the State, county, and farm base
10 acreages—

11 “(1) the base period shall be the calendar years
12 1959 and 1960 for the purpose of determining acreage
13 allotments for the 1963, 1964, and 1965 crops of feed
14 grains; and for the purpose of determining acreage
15 allotments for subsequent crops of feed grains, the base
16 period shall be the two most recent calendar years
17 during which a marketing quota program was in effect
18 for which statistics of the Federal Government are
19 available;

20 “(2) the Secretary shall make such adjustments as
21 he determines are necessary for abnormal conditions
22 affecting the acreage of feed grains planted for harvest,
23 land which is regarded as devoted to the production
24 of feed grains under Federal farm programs, established
25 crop-rotation practices on the farm, and such other

factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

“(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

~~“COMMERCIAL AREA~~ *GEOGRAPHICAL APPLICABILITY*

“SEC. 360e. Notwithstanding any other provision of this part, if the Secretary determines that the establishment of a commercial feed grain area will facilitate the administration of a marketing quota program for feed grains and will not substantially impair the effective operation thereof, he may establish a commercial area for feed grains taking into consideration with respect to the commercial area and the non-commercial area one or more of the following factors: the total production of feed grains, the number of farms normally producing feed grains, the average production of feed grains per farm, the value of the total marketings of feed grains, and the extent to which marketings enter into commercial channels outside such area. In establishing a commercial area the Secretary shall, insofar as practicable, observe county boundary lines. The commercial area shall be proclaimed at the time the national marketing quota is proclaimed pursuant to section 360b, and such national marketing quota

1 shall not be in effect with respect to feed grains produced out-
2 side the commercial area. The national acreage allotment
3 for any crop of feed grains shall be apportioned by the
4 Secretary among the States, counties, and farms in the
5 commercial area on the basis of the provisions of section
6 ~~360d~~. *This part VII shall be applicable to the several States*
7 *and territories except Alaska and Hawaii.*

8 "SMALL FARM EXEMPTION

9 "SEC. 360f. Notwithstanding any other provision of
10 this part, no farm marketing quota for any crop of feed grains
11 shall be applicable to any farm with a farm base acreage
12 of twenty-five acres or less if the acreage of such crop of
13 feed grains does not exceed the farm base acreage deter-
14 mined for the farm, unless the owner or operator elects in
15 writing on a form and within the time prescribed by the
16 Secretary to be subject to the farm acreage allotment. If
17 the owner or operator of any such farm fails to make such
18 election with respect to any crop of feed grains, (i) for the
19 purposes of section 360h, the farm acreage allotment for such
20 crop of feed grains shall be deemed to be the farm base
21 acreage if the acreage of such crop of feed grains exceeded
22 the farm base acreage, (ii) the land-use provisions of sec-
23 tion 360j shall be inapplicable to the farm, and (iii) such
24 crop of feed grains shall not be eligible for price support.

“REFERENDUM

2 "SEC. 360g. If a national marketing quota for feed grains
3 for one, two, or three marketing years is proclaimed, the
4 Secretary shall, not later than sixty days after such proclama-
5 tion is published in the Federal Register, conduct a referen-
6 dum, by secret ballot, of farmers to determine whether they
7 favor or oppose marketing quotas for the marketing year or
8 years for which proclaimed. Any producer who has a feed
9 grain base shall be eligible to vote in any referendum held
10 pursuant to this section, except a producer who has a farm
11 feed grain base of twenty-five acres or less and who does not
12 elect, pursuant to section 360f, to be subject to the farm acre-
13 age allotment. The Secretary shall proclaim the results of
14 any referendum held hereunder within thirty days after the
15 date of such referendum, and if the Secretary determines that
16 more than one-third of the farmers voting in the referendum
17 voted against marketing quotas, the Secretary shall pro-
18 claim that marketing quotas will not be in effect with respect
19 to the crop of feed grains produced for harvest in the calendar
20 year following the calendar year in which the referendum is
21 held. If the Secretary determines that two-thirds or more
22 of the farmers voting in a referendum approve marketing
23 quotas for a period of two or three marketing years, no refer-
24 endum shall be held for the subsequent year or years of such
25 period.

"COMPLIANCE

1
2 "SEC. 360h. (a) (1) The farm marketing quota for any
3 crop of feed grains shall be the actual production of the
4 acreage of feed grains on the farm less the farm marketing
5 excess. The farm marketing excess shall be an amount equal
6 to twice the normal production of the acreage of feed grains
7 on the farm in excess of the farm acreage allotment for such
8 crop; *Provided*, That the farm marketing excess shall be an
9 amount equal to the actual production of the number of acres
10 of feed grains on the farm in excess of the farm acreage allot-
11 ment for such crop, if the producer, in accordance with
12 regulations issued by the Secretary and within the time
13 prescribed therein, establishes to the satisfaction of the
14 Secretary the actual production of such crop of feed grains on
15 the farm: *Provided further*, That if there is an acreage of
16 more than one feed grain on the farm, in determining which
17 acreage is in excess of the farm acreage allotment, the acre-
18 age of the feed grain or grains which ~~will result in the largest~~
19 ~~penalty computed in accordance with subsection (b) hereof~~
20 *has the highest value, based on the normal yield of the feed*
21 *grain on the farm multiplied by the basic county support*
22 *rate for the feed grain*, shall be considered as the acreage in
23 excess of the farm acreage allotment.

24 "(2) For the purposes of this section, (i) 'actual pro-
25 duction' of any number of acres of a feed grain on a farm

1 means the actual average yield of such feed grain on the farm
2 multiplied by the number of acres of such feed grain, and
3 (ii) 'normal production' of any number of acres of a feed
4 grain on a farm means the normal yield of such feed grain
5 on the farm multiplied by the number of acres of such feed
6 grain. The normal yield of any feed grain for a farm shall
7 be the average yield of such feed grain determined by the
8 Secretary for the local administrative area during the base
9 period (as defined in subsection (d) (1) of section 360d)
10 adjusted to the extent the Secretary determines necessary for
11 abnormal factors affecting production. The local adminis-
12 trative area shall be such area established pursuant to section
13 8 (b) of the Soil Conservation and Domestic Allotment Act,
14 as amended, in which the farm is located.

15 “(3) In determining the farm marketing quota and
16 farm marketing excess, (i) any acreage of a feed grain
17 remaining after the date prescribed by the Secretary for the
18 disposal of excess acres of such feed grain shall be included
19 as an acreage of feed grains on the farm, and the production
20 thereof shall be appraised in such manner as the Secretary
21 determines will provide a reasonably accurate estimate of
22 such production, (ii) any acreage of any feed grain classified
23 as wheat acreage pursuant to section 337 shall not be con-
24 sidered feed grain acreage, and (iii) any acreage of feed
25 grains disposed of in accordance with regulations issued by

1 the Secretary prior to such date as may be prescribed by the
2 Secretary shall be excluded in determining the farm market-
3 ing quota and farm marketing excess. Marketing quotas for
4 any marketing year shall be in effect with respect to feed
5 grains harvested in the calendar year in which such market-
6 ing year begins notwithstanding that the feed grains are
7 marketed prior to the beginning of such marketing year.

8 “(b) Whenever farm marketing quotas are in effect
9 with respect to any crop of feed grains, the farm marketing
10 excess of any feed grain shall be regarded as available for
11 marketing, and the producers on a farm shall be subject to
12 a penalty on the farm marketing excess of feed grains at a
13 rate per bushel on the amount of feed grains in the farm mar-
14 keting excess equal to 65 per centum of the parity price of
15 the particular feed grain involved as of May 1 of the calen-
16 dar year in which the crop is harvested. Each producer hav-
17 ing an interest in the crop of feed grains on any farm for
18 which a farm marketing excess of feed grains is determined
19 shall be jointly and severally liable for the entire amount of
20 the penalty on the farm marketing excess. *The Secretary*
21 *shall issue regulations under which the farm marketing excess*
22 *of feed grains for the farm may be stored or delivered to him.*
23 *Upon failure to store, or deliver to the Secretary, the farm*
24 *marketing excess within such time as may be determined under*
25 *regulations prescribed by the Secretary, the penalty computed*

1 *as aforesaid shall be paid by the producer. Any feed grains*
2 *delivered to the Secretary hereunder shall become the prop-*
3 *erty of the United States and shall be disposed of by the*
4 *Secretary for relief purposes in the United States or friendly*
5 *foreign countries or in such other manner as he shall deter-*
6 *mine will divert it from the normal channels of trade and*
7 *commerce.*

8 “(c) If the farm marketing excess is adjusted down-
9 ward on the basis of actual production as heretofore provided,
10 the difference between the amount of the penalty computed
11 upon the basis of twice the normal production and as com-
12 puted upon the basis of actual production shall be returned
13 to or allowed the producer.

14 “(d) Until the producers on any farm *store, deliver to*
15 *the Secretary, or pay the penalty on, the farm marketing*
16 *excess of any crop of feed grains, the entire crop of feed grains*
17 *produced on the farm and any subsequent crop of feed grains*
18 *subject to marketing quotas in which the producer has an*
19 *interest shall be subject to a lien in favor of the United States*
20 *for the amount of the penalty.*

21 “(e) Until ~~the penalty on the farm marketing excess of~~
22 ~~feed grains~~ *the farm marketing excess of feed grains is*
23 *stored or delivered to the Secretary, or the penalty thereon*
24 *is paid, each bushel of feed grains produced on the farm*

1 shall be subject to the penalty specified in subsection (b)
 2 of this section, and such penalty on each bushel of feed grains
 3 which is sold by the producer to any person within the
 4 United States shall be paid by the buyer, who may deduct
 5 an amount equivalent to the penalty from the price paid to
 6 the producer. If the buyer fails to collect such penalty, such
 7 buyer and all persons entitled to share in the feed grains
 8 marketed from the farm or the proceeds thereof shall be
 9 jointly and severally liable for such penalty.

10 “(f) The persons liable for the payment or collection
 11 of the penalty on any amount of feed grains shall be liable
 12 also for interest thereon at the rate of 6 per centum per an-
 13 num from the date the penalty becomes due until the date
 14 of payment of such penalty.

15 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

16 “SEC. 360i. Notwithstanding any other provision of law,
 17 the Secretary ~~may~~ *shall* permit producers of wheat to have
 18 acreage devoted to the production of wheat considered as de-
 19 voted to the production of feed grains to such extent and
 20 subject to such terms and conditions as the Secretary de-
 21 termines will not impair the effective operation of this sub-
 22 title B.

23 “LAND USE

24 “SEC. 360j. (a) (1) During any year in which mar-
 25 keting quotas for feed grains are in effect, the producers on

1 any farm (except a farm for which a farm acreage allot-
2 ment is established pursuant to section 360d (c) (2) (C)) on
3 which any crop is produced on acreage required to be di-
4 verted from the production of feed grains shall be subject
5 to a penalty on such crop, in addition to any marketing quota
6 penalty applicable to such crop, as provided in this subsec-
7 tion, unless (i) the crop is designated by the Secretary as
8 one which is not in surplus supply and will not be in surplus
9 supply if it is permitted to be grown on the diverted acreage,
10 or as one the production of which will not substantially im-
11 pair the purpose of the requirements of this section, or (ii)
12 no feed grains are produced on the farm, and the producers
13 have not filed an agreement or a statement of intention to
14 participate in the payment program formulated pursuant to
15 subsection (b) of this section. The acreage required to be
16 diverted from the production of feed grains on the farm
17 shall be an acreage of cropland equal to the amount by which
18 the base acreage of feed grains for the farm exceeds the
19 farm acreage allotment for feed grains. The actual produc-
20 tion of any crop subject to penalty under this subsection
21 shall be regarded as available for marketing and the penalty
22 on such crop shall be computed on the actual acreage of
23 such crop at the rate of 65 per centum of the parity price
24 per bushel, as of May 1, *of the calendar year in which the*
25 *crop is harvested*, of the feed grain determined by the

1 Secretary to be the principal feed grain produced in the
2 county, multiplied by the normal yield for such feed grain as
3 defined in section 360h (a). Until the producers on any
4 farm pay the penalty on such crop, the entire crop of feed
5 grains produced on the farm and any subsequent crop of
6 feed grains subject to marketing quotas in which the pro-
7 ducer has an interest shall be subject to a lien in favor of
8 the United States for the amount of the penalty. Each
9 producer having an interest in the crop or crops on acreage
10 diverted or required to be diverted from the production of
11 feed grains shall be jointly and severally liable for the entire
12 amount of the penalty. The Secretary may require the
13 penalty on the production of crops on the diverted acreage
14 to be collected by the purchaser of feed grains produced on
15 the farm. The persons liable for the payment or collection
16 of the penalty under this section shall be liable also for in-
17 terest thereon at the rate of 6 per centum per annum from
18 the date the penalty becomes due until the date of payment
19 of such penalty.

20 “(2) The Secretary may require that the acreage on
21 any farm diverted from the production of feed grains be land
22 which was diverted from the production of feed grains in the
23 previous year, to the extent he determines that such require-
24 ment is necessary to effectuate the purposes of this subtitle.

25 “(3) The Secretary may permit the diverted acreage to

1 be grazed in accordance with regulations prescribed by the
2 Secretary.

3 “(b) The Secretary is authorized to formulate and carry
4 out a program with respect to the 1963, 1964, and 1965
5 crops of feed grains under which, subject to such terms and
6 conditions as he determines are desirable to effectuate the
7 purposes of this section, payments may be made in amounts
8 determined by the Secretary to be fair and reasonable to
9 producers with respect to acreage diverted pursuant to sub-
10 section (a) of this section. The Secretary may permit the
11 producers on the farm to divert from the production of feed
12 grains an acreage, in addition to the acreage diverted pur-
13 suant to subsection (a), equal to 20 per centum of the
14 farm acreage allotment for feed grains: *Provided*, That the
15 producers on any farm may, at their election, divert such
16 acreage, in addition to the acreage diverted pursuant to sub-
17 section (a), as will bring the total acreage diverted on the
18 farm to ~~twenty~~ *twenty-five* acres. Such program shall re-
19 quire (1) that the diverted acreage shall be devoted to
20 conservation uses approved by the Secretary; (2) that the
21 total acreage of cropland on the farm devoted to soil-conserv-
22 ing uses, including summer fallow and idle land but exclud-
23 ing the acreage diverted as provided above and acreage di-
24 verted under the land-use provisions for wheat pursuant to
25 section 339, shall not be less than the total average acreage

1 of cropland devoted to soil-conserving uses including sum-
2 mer fallow and idle land on the farm during the base period
3 used in determining the farm acreage allotment adjusted to
4 the extent the Secretary determines appropriate for (i)
5 abnormal weather conditions or other factors affecting pro-
6 duction, (ii) established crop-rotation practices on the farm,
7 (iii) participation in other Federal farm programs, (iv)
8 unusually high percentage of land on the farm devoted to
9 conserving uses, and (v) for other factors which the Secre-
10 tary determines should be considered for the purpose of
11 establishing a fair and equitable soil-conserving acreage for
12 the farm; and (3) that the producers shall not knowingly
13 exceed (i) any farm acreage allotment in effect for any
14 commodity produced on the farm, and (ii) except as the
15 Secretary may by regulation prescribe, the farm acreage
16 allotments on any other farm for any crop in which the
17 producer has a share: *Provided*, That no producer shall be
18 deemed to have exceeded a farm acreage allotment for wheat
19 if the entire amount of the farm marketing excess of wheat
20 is delivered to the Secretary or stored in accordance with
21 applicable regulations to avoid or postpone payment of the
22 penalty. The producer on any farm for which a farm
23 acreage allotment is established pursuant to section 360d (c)
24 (2) (C) shall not be eligible for payments hereunder. The
25 Secretary shall provide for the sharing of payment among

1 producers on the farm on a fair and equitable basis. Pay-
2 ments may be made in cash or in feed grains. *The Secretary*
3 *shall provide for the sharing of payment among producers on*
4 *the farm on a fair and equitable basis. The following factors*
5 *shall be given consideration in arriving at the division of*
6 *payment:*

7 “(1) *The basis on which producers would have*
8 *shared in the production of feed grains had feed grains*
9 *been produced on the diverted acreage;*

10 “(2) *The savings on benefits accruing to each pro-*
11 *ducer on the diverted acreage;*

12 “(3) *The respective contribution of each producer*
13 *to the establishment and maintenance of the conservation*
14 *use on the acreage designated as diverted from produc-*
15 *tion; and*

16 “(4) *The respective relationship of the diverted*
17 *acreage and increased conservation acreage to the various*
18 *ownership tracts comprising a farm.*

19 “(c) *The Secretary may provide for adjusting any*
20 *payment on account of failure to comply with the terms*
21 *and conditions of the program formulated under subsection*
22 *(b) of this section. Where a producer is not entitled to*
23 *receive full payment under the program formulated under*
24 *subsection (b) of this section because of failure to comply*
25 *with the terms and conditions of the program, the Secretary*

1 *is authorized to make partial payment to the producer pro-*
2 *portionate to the performance rendered.*

3 “(d) Not to exceed 50 per centum of any payment to
4 producers under subsection (b) of this section may be
5 made in advance of determination of performance.

6 “(e) The program formulated pursuant to subsection
7 (b) of this section may include such terms and conditions,
8 in addition to those specifically provided for herein, as the
9 Secretary determines are desirable to effectuate the purposes
10 of this section.

11 “(f) The Secretary is authorized to promulgate such
12 regulations as may be desirable to carry out the provisions
13 of this section.

14 “(g) The Commodity Credit Corporation is authorized
15 to utilize its capital funds and other assets for the purpose
16 of making the payments authorized in this section and to
17 pay administrative expenses necessary in carrying out this
18 section during the period ending June 30, 1963. There is
19 authorized to be appropriated such amounts as may be
20 necessary thereafter to pay such administrative expenses.

21 “(h) Notwithstanding any other provision of law, per-
22 formance rendered in good faith in reliance upon action or
23 advice of an authorized representative of the Secretary may
24 be accepted as meeting the requirements of this section, or
25 of subsections (c) and (d) of section 16 of the Soil Conser-

1 vation and Domestic Allotment Act, as amended, any pay-
2 ment may be made therefor in accordance with such action
3 or advice to the extent the Secretary deems it desirable in
4 order to provide fair and equitable treatment."

5 SEC. 402. Section 2 of the Agricultural Adjustment Act
6 of 1938, as amended, is hereby amended by striking out
7 "and" immediately following the last semicolon, by changing
8 the period at the end thereof to a semicolon, and by adding
9 immediately following such new semicolon the following:
10 "and to reduce the annual carryover of feed grains, to stabi-
11 lize the supply of feed ~~grains at a level consistent with any~~
12 ~~national policy with respect to commodity reserves~~ *grains*,
13 and to provide for an adequate and balanced flow of feed
14 grains so that the prices of feed grains are fair to producers
15 and consumers and the total supply of feed grains available
16 for utilization for livestock feed is maintained at a level which
17 is consistent with the production of the quantities of livestock
18 and the products thereof that will be consumed and exported
19 at prices which are fair to producers and consumers."

20 SEC. 403. Section 301 of the Agricultural Adjustment
21 Act of 1938, as amended, is hereby amended as follows:

22 (1) Subsection (a) is amended by adding at the
23 end thereof the following new items:

24 "(10) The term 'feed grains' means corn, oats,
25 grain sorghums, and barley. The term 'feed grains'

1 shall also include rye if the Secretary designates such
2 commodity.

3 “(11) The term ‘acreage of feed grains’ means
4 acreage of feed grains planted for harvest (including
5 self-seeded feed grains).

6 “(12) The term ‘crop’ as applied to ‘feed grains’
7 means all of the crops of the agricultural commodities
8 which comprise feed grains and which are produced for
9 harvest in the same calendar year.”

10 (2) Subsection (b) (6) (A) is amended to read
11 as follows:

12 “(6) (A) ‘Market’, in the case of cotton, rice, to-
13 bacco, wheat, and feed grains, means to dispose of, in
14 raw or processed form, by voluntary or involuntary sale,
15 barter, or exchange, or by gift inter vivos, and, in the
16 case of wheat and feed grains, by feeding (in any form)
17 to poultry or livestock which, or the products of which,
18 are sold, bartered, or exchanged, or to be so disposed of.”

19 (3) Subsection (b) (7) is amended to read as
20 follows:

21 “(7) ‘Marketing year’ means, in the case of the
22 following commodities, the period beginning on the first
23 and ending with the second date specified below:

24 “Barley, July 1–June 30;

25 “Corn, October 1–September 30;

1 “Cotton, August 1–July 31;

2 “Oats, July 1–June 30;

3 “Grain sorghums, July 1–June 30;

4 “Peanuts, August 1–July 31;

5 “Rice, August 1–July 31;

6 “Rye, July 1–June 30;

7 “Tobacco (flue-cured), July 1–June 30;

8 “Tobacco (other than flue-cured), October 1–

9 September 30;

10 “Wheat, July 1–June 30.

11 “ ‘Marketing year’ means, in the case of ‘feed grains’,
12 the marketing years for the agricultural commodities
13 comprising the feed grains.”

14 SEC. 404. Sections 361, 362, and 363 of the Agricul-
15 tural Adjustment Act of 1938, as amended, are hereby
16 amended as follows:

17 (1) Section 361 is amended by adding “feed
18 grains,” after “wheat,” and by changing the period at
19 the end of the section to a comma and adding the follow-
20 ing: “and to the review of land-use penalties assessed
21 pursuant to sections 339 and 360j.”

22 (2) Section 362 is amended by adding at the end
23 thereof the following: “Notice of the land-use penalty
24 assessed pursuant to section 339 or 360j shall be mailed
25 to the farmer.”

1 (3) Section 363 is amended by adding “or land-
2 use penalty” after the word “quota” wherever it appears
3 in such section.

4 SEC. 405. Section 372 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by adding
6 “feed grains,” after “wheat,” in subsection (a) thereof.

7 SEC. 406. Sections 373, 374, and 375 of the Agricul-
8 tural Adjustment Act of 1938, as amended, are hereby
9 amended by deleting “corn” wherever it appears and by
10 substituting in lieu thereof “feed grains”; and subsection (b)
11 of section 375 of the Agricultural Adjustment Act of 1938,
12 as amended, is further amended by striking out the period at
13 the end of the sentence and inserting at the end thereof the
14 following: “or to effectuate the provisions thereof.”

15 SEC. 407. Section 385 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby amended by inserting
17 in the first sentence after “Soil Conservation Act payment,”
18 the following: “payment under section 360j,”.

19 SEC. 408. The amendments to the Agricultural Adjust-
20 ment Act of 1938, as amended, made by sections 401 through
21 407 of this Act shall be in effect only with respect to pro-
22 grams applicable to crops planted for harvest in the cal-
23 endar year 1963 or any subsequent year and to the mar-
24 keting years beginning in the calendar year 1963 or any sub-
25 sequent year.

1 SEC. 409. The Agricultural Act of 1949, as amended,
2 is amended as follows:

3 (1) By amending section 105 by deleting subsec-
4 tions (a) and (b) and substituting the following:

5 “(a) Notwithstanding the provisions of section 101 of
6 this Act, beginning with the 1963 crop—

7 “(1) price support for each crop of corn shall be
8 made available at such level not less than 65 per
9 centum or more than 90 per centum of the parity
10 price therefor as the Secretary determines appropriate
11 after consideration of (i) the factors specified in
12 section 401 (b) of this Act, (ii) the supplies of feed
13 grains that would be available during the marketing
14 year at prices approximating the support prices of feed
15 grains, and (iii) consumption goals during the market-
16 ing year for livestock and livestock products, taking into
17 consideration consumption under special governmental
18 programs, and imports and exports of livestock and live-
19 stock products.

20 “(2) price support for each crop of barley, grain
21 sorghums, oats, and rye, respectively, shall be at such
22 level as the Secretary determines is fair and reasonable
23 in relation to the level at which price support is made
24 available for corn, taking into consideration the feeding
25 value of such feed grain in relation to ~~corn~~ and the

1 ~~other factors specified in section 401(b) of this Act~~ *corn,*
2 *location, and buyer preference.*

3 “(3) if marketing quotas are in effect for the crop
4 of any feed grain, (i) price support for such crop shall
5 be made available only to cooperators, and (ii) if a
6 commercial feed grain-producing area is established for
7 such crop, price support shall be made available only
8 in the commercial feed grain-producing area.

9 “(4) no price support shall be made available for
10 any crop of a feed grain for which a marketing quota
11 is not in effect because of disapproval by producers, and

12 “(5) a ‘cooperator’ with respect to any crop of feed
13 grains produced on a farm shall be a producer who (i)
14 does not knowingly exceed (A) the farm acreage allot-
15 ment for feed grains or any other commodity on the farm
16 or (B) except as the Secretary may by regulation pre-
17 scribe, the farm acreage allotment on any other farm for
18 any commodity in which he has an interest as a producer,
19 and (ii) complies with the land-use requirements of
20 section 360j of the Agricultural Adjustment Act of 1938,
21 as amended, to the extent prescribed by the Secretary.
22 No producer shall be deemed to have exceeded a farm

1 acreage allotment for wheat if the entire amount of the
2 farm marketing excess of wheat is delivered to the
3 Secretary or stored in accordance with applicable regu-
4 lations to avoid or postpone payment of the penalty, but
5 the producer shall not be eligible to receive price support
6 on such farm marketing excess.”

7 (2) By amending section 105 by redesignating
8 subsection (c) thereof as subsection (b).

9 (3) By amending section 401 by inserting after
10 the comma before “(2)” the following: “(2) the in-
11 come needed to provide a farm operator and his family
12 with a return for his labor and investment equal to the
13 return earned by comparable resources in other occupa-
14 tions”, and by renumbering (2), (3), (4), (5), (6),
15 (7), and (8) as (3), (4), (5), (6), (7), (8),
16 and (9), respectively.

17 (4) By adding at the end of section 407 the
18 following: “Notwithstanding any other provision here-
19 of, (i) if a marketing quota for feed grains for any mar-
20 keting year is disapproved by producers, the Commodity
21 Credit Corporation is authorized to sell for unrestricted
22 use from its stocks at market prices during such mar-

1 keting year up to ten million tons, or the equivalent in
2 bushels, of feed grains, (ii) if a marketing quota for
3 wheat for any marketing year is disapproved by pro-
4 ducers, the Commodity Credit Corporation is authorized
5 to *may* sell for unrestricted use from its stocks at market
6 prices during the marketing year ~~up to~~ *not to exceed* two
7 hundred million bushels of wheat.”



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued March 27, 1962
For actions of March 26, 1962
87th-2d, No. 46

CONTENTS

Acreage allotments.....	28	Government operations....	15	Saline water.....	12
Animal disease.....	17	Industrial uses.....	16	Soviet agriculture.....	10
Appropriations.....	2	Lands.....	27	Sugar.....	25
ASC committees.....	19	Loans.....	6	Taxation.....	22
Budgeting.....	4	Patents.....	7	Travel.....	5
Casein.....	31	Pay systems.....	29	Water resources.....	13
Cooperatives.....	11	Personnel.....	5, 21, 29	Water pollution.....	26
Farm program.....	1, 18	Postal rates.....	20	Watersheds.....	8
Flood relief.....	33	Potatoes.....	28	Wheat.....	1
Foreign trade.....	24, 31	Recreation.....	30	Wilderness.....	23
Forestry.....	9, 32	Research.....	3	Wildlife.....	14

HIGHLIGHTS: House subcommittee voted to report committee print on wheat section of farm bill. House committee reported (Mar. 25) Labor-HEW appropriation bill. Sen. Stennis introduced and discussed bill to increase authorization for nationwide forest survey.

HOUSE

1. FARM PROGRAM; WHEAT. The "Daily Digest" states that the Subcommittee on Wheat of the Agriculture Committee "ordered reported favorably, with amendment, Committee Print No. 2, regarding the wheat section of H. R. 10010, the general farm bill." p. D208
2. APPROPRIATIONS. The Appropriations Committee reported on Mar. 23 (during adjournment of the House) H. R. 10904, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for 1963 (H. Rept. 1488). p. 4589
3. RESEARCH. The Government Operations Committee reported on Mar. 23 (during adjournment of the House) without amendment H. R. 6984, to provide for a method of payment of indirect costs of research and development contracted by the Federal Government at universities, colleges, and other educational institutions (H. Rept. 1485). p. 4589

4. BUDGETING. The Government Operations Committee reported on Mar. 23 (during adjournment of the House) without amendment H. R. 10613, to repeal subsection (d) of sec. 16 of the Administrative Expenses Act of 1946 which requires detailed budget estimates for appropriations to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft (H. Rept. 1486). p. 4589
5. PERSONNEL; TRAVEL. The Government Operations Committee reported on Mar. 23 (during adjournment of the House) without amendment H. R. 10652, to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another (H. Rept. 1487). p. 4589
6. LOANS. The Agriculture Committee reported with amendments H. R. 946, to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen (H. Rept. 1502). p. 4589
7. PATENTS. Received from Commerce a proposed bill "To provide for public notice of settlements in patent interferences"; to Judiciary Committee. p. 4589
8. WATERSHEDS. The Agriculture Committee approved the following watershed and flood prevention plans: Gum Neck watershed, North Carolina; Pine Creek watershed, Tennessee; northeast tributaries of Leon River watershed, Texas; and Wagon Creek watershed, Oklahoma. p. 4579

SENATE

9. FORESTRY. Sens. Stennis, Allott, and Hill commended the service of Richard E. McArdle, former Chief of the Forest Service, upon his retirement, and Sen. Stennis inserted an editorial commending his service, "Protector of Forests." pp. 4608-9
10. SOVIET AGRICULTURE. Sen. Miller inserted an article on Soviet agricultural policy, "What K.'s Decision on Farms Implies," stating that "A huge new agricultural bureaucracy is to be established in the rural regions to harass and encourage the collective farmers. But no increase of state investments in farming is to be made." p. 4601
11. COOPERATIVES. Sen. Miller inserted an article on the recent growth and development of farm cooperatives, stating that this Department is "working up several study proposals designed to foster more big co-ops that would go beyond traditional local and regional lines." pp. 4601-2
12. SALINE WATER. Sen. Kuchel commended the accomplishments of the saline water conversion program and inserted his remarks at the dedication of the Point Loma saline water conversion plant at San Diego, Calif. pp. 4592-3
13. WATER RESOURCES. Received a N. Y. Legislature resolution memorializing Congress to authorize a review of plans for the multipurpose development of the Genesee River Basin, N. Y. pp. 4591-2
14. WILDLIFE. Sen. Kuchel urged enactment of legislation to give congressional sanction to the Tule Lake Wildlife Refuge Area in Calif. and Ore. pp. 4593-4

[COMMITTEE PRINT NO. 2]

March 26, 1962

WHEAT

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE B—WHEAT

3 SEC. 410. Section 331 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by striking out
5 the last paragraph thereof and inserting in lieu thereof the
6 following paragraphs:

7 “Wheat which is planted and not disposed of prior to the
8 date prescribed by the Secretary for the disposal of excess
9 acres of wheat is an addition to the total supply of wheat
10 and has a direct effect on the price of wheat in interstate and
11 foreign commerce and may also affect the supply and price

1 of livestock and livestock products. In the circumstances,
2 wheat not disposed of prior to such date must be considered
3 in the same manner as mechanically harvested wheat in order
4 to achieve the policy of the Act.

5 "The diversion of substantial acreages from wheat to
6 the production of commodities which are in surplus supply or
7 which will be in surplus supply if they are permitted to be
8 grown on the diverted acreage would burden, obstruct, and
9 adversely affect interstate and foreign commerce in such
10 commodities, and would adversely affect the prices of such
11 commodities in interstate and foreign commerce. Small
12 changes in the supply of a commodity could create a sufficient
13 surplus to affect seriously the price of such commodity in
14 interstate and foreign commerce. Large changes in the sup-
15 ply of such commodity could have a more acute effect on the
16 price of the commodity in interstate and foreign commerce
17 and, also, could overtax the handling, processing, and trans-
18 portation facilities through which the flow of interstate and
19 foreign commerce in such commodity is directed. Such ad-
20 verse effects caused by overproduction in one year could
21 further result in a deficient supply of the commodity in the
22 succeeding year, causing excessive increases in the price of
23 the commodity in interstate and foreign commerce in such
24 year. It is, therefore, necessary to prevent acreage diverted
25 from the production of wheat to be used to produce commodi-

1 ties which are in surplus supply or which will be in surplus
2 supply if they are permitted to be grown on the diverted
3 acreage.

4 "The provisions of this part affording a cooperative
5 plan to wheat producers are necessary in order to mini-
6 mize recurring surpluses and shortages of wheat in inter-
7 state and foreign commerce, to provide for the maintenance of
8 adequate reserve supplies thereof, to provide for an adequate
9 and orderly flow of wheat and its products in interstate and
10 foreign commerce at prices which are fair and reasonable
11 to farmers and consumers, and to prevent acreage diverted
12 from the production of wheat from adversely affecting other
13 commodities in interstate and foreign commerce."

14 SEC. 411. Section 332 of the Agricultural Adjustment
15 Act of 1938, as amended, is hereby amended by striking out
16 the provisions of such section and by inserting in lieu thereof
17 the following:

18 "NATIONAL MARKETING QUOTA

19 "SEC. 332. (a) Whenever prior to ~~May~~ *April* 15 in any
20 calendar year the Secretary determines that the total supply
21 of wheat in the marketing year beginning in the next succeed-
22 ing calendar year will, in the absence of a marketing quota
23 program, likely be excessive, the Secretary shall proclaim
24 that a national marketing quota for wheat shall be in effect for
25 such marketing year and for either the following marketing

1 year or the following two marketing years, if the Secretary
2 determines and declares in such proclamation that a two-
3 or three-year marketing quota program is necessary to effec-
4 tuate the policy of the Act.

5 “ (b) If a national marketing quota for wheat has been
6 proclaimed for any marketing year, the Secretary shall
7 determine and proclaim the amount of the national market-
8 ing quota for such marketing year not earlier than January 1
9 or later than ~~May~~ *April* 15 of the calendar year preceding
10 the year in which such marketing year begins. The amount
11 of the national marketing quota for wheat for any marketing
12 year shall be an amount of wheat which the Secretary esti-
13 mates (i) will be utilized during such marketing year for
14 human consumption in the United States as food, food prod-
15 ucts, and beverages, composed wholly or partly of wheat,
16 (ii) will be utilized during such marketing year in the United
17 States for seed, (iii) will be exported either in the form of
18 wheat or products thereof, and (iv) as the average amount
19 which was utilized as livestock (including poultry) feed in
20 the marketing years beginning in 1959 and 1960; less ~~(i)~~
21 *(A)* an amount of wheat equal to the estimated imports of
22 wheat into the United States during such marketing year and,
23 ~~(ii)~~ *(B)* if the stocks of wheat owned by the Commodity
24 Credit Corporation are determined by the Secretary to be

1 excessive, an amount of wheat, *not to exceed 16 per centum*
2 *of items (i), (ii), (iii), and (iv) above*, determined by the
3 Secretary to be a desirable reduction in such marketing year
4 in such stocks to achieve the policy of the Act: *Provided*,
5 That if the Secretary determines that the total stocks of
6 wheat in the Nation are insufficient to assure an adequate
7 carryover for the next succeeding marketing year, the na-
8 tional marketing quota otherwise determined shall be in-
9 creased by the amount the Secretary determines to be
10 necessary to assure an adequate carryover.

11 “(c) If, after the proclamation of a national marketing
12 quota for wheat for any marketing year, the Secretary has
13 reason to believe that, because of a national emergency or
14 because of a material increase in the demand for wheat, the
15 national marketing quota should be terminated or the amount
16 thereof increased, he shall cause an immediate investigation
17 to be made to determine whether such action is necessary
18 in order to meet such emergency or increase in the demand
19 for wheat. If, on the basis of such investigation, the Secre-
20 tary finds that such action is necessary, he shall immediately
21 proclaim such finding and the amount of any such increase
22 found by him to be necessary and thereupon such national
23 marketing quota shall be so increased or terminated. In case
24 any national marketing quota is increased under this sub-

1 section, the Secretary shall provide for such increase by
 2 increasing acreage allotments established under this part by a
 3 uniform percentage."

4 SEC. 412. Section 333 of the Agricultural Adjustment
 5 Act of 1938, as amended, is hereby amended to read as fol-
 6 lows:

7 "NATIONAL ACREAGE ALLOTMENT

8 "SEC. 333. Whenever the amount of the national
 9 marketing quota for wheat is proclaimed for any marketing
 10 year, the Secretary at the same time shall proclaim a na-
 11 tional acreage allotment for the crop of wheat planted for
 12 harvest in the calendar year in which such marketing year
 13 begins. The amount of the national acreage allotment for
 14 any crop of wheat shall be the number of acres which the
 15 Secretary determines on the basis of expected yields and
 16 expected underplantings of farm acreage allotments will,
 17 together with (1) the expected production of wheat in
 18 ~~the noncommercial area, if any~~ *on the increases in acreage*
 19 *allotments for farms based upon small-farm base acreages*
 20 *pursuant to section 335*, and (2) the expected production on
 21 increased acreages resulting from the small-farm exemption
 22 pursuant to section 335, make available a supply of wheat
 23 equal to the national marketing quota for wheat for such
 24 marketing year."

1 SEC. 413. Section 334 of the Agricultural Adjustment
2 Act of 1938, as amended, is further amended as follows:

3 (1) By striking out "ten" wherever it appears in
4 subsections (a) and (b) thereof and by inserting in
5 lieu thereof "five".

6 (2) By amending subsection (e) thereof by in-
7 serting the following sentence immediately following
8 the eighth sentence thereof: "The land-use provisions
9 of section 339 shall not be applicable to any farm re-
10 ceiving an increased allotment under this subsection, and
11 the producers on such farm shall not be required to
12 comply with such provisions as a condition of eligibility
13 for price support."

14 (3) By repealing subsection (g) thereof and by
15 redesignating subsections (h) and (i) thereof as (g)
16 and (h) respectively.

17 (4) By amending subsection (i) thereof, redesign-
18 nated by this section as subsection (h), by inserting the
19 following sentence immediately following the seventh
20 sentence thereof: "The land-use provisions of section 339
21 shall not be applicable to any farm receiving an addi-
22 tional allotment under this subsection."

23 (5) By striking out of the last sentence of sub-
24 section (i) thereof (added by Public Law 87-357, 87th

1 Congress, 1st session), redesignated by this section as
2 subsection (h), "or 1963".

3 SEC. 414. Part III of subtitle B of title III of the Agri-
4 cultural Adjustment Act of 1938, as amended, is hereby
5 amended by adding immediately after section 334 thereof
6 the following:

7 "~~COMMERCIAL AREA GEOGRAPHICAL APPLICABILITY~~

8 "SEC. 334a. If the acreage allotment for any State for
9 any crop of wheat is twenty-five thousand acres or less, the
10 Secretary, in order to promote efficient administration of this
11 Act and the Agricultural Act of 1949, may designate such
12 State as outside the commercial wheat-producing area for
13 the marketing year for such crop. If such State is so desig-
14 nated, acreage allotments for such crop and marketing quotas
15 for the marketing year therefor shall not be applicable to any
16 farm in such State. Acreage allotments in any State shall
17 not be increased by reason of such designation. The national
18 acreage allotment for any crop of wheat shall be apportioned
19 by the Secretary among the States, counties, and farms in
20 the commercial wheat-producing area on the basis of the
21 provisions of section 334." *This part III shall be applicable*
22 *to the continental United States excluding Alaska."*

23 SEC. 415. Section 335 of the Agricultural Adjustment
24 Act of 1938, as amended, is hereby amended to read as
25 follows:

1 "SMALL FARM EXEMPTION

2 "SEC. 335. Notwithstanding any other provision of this
3 part, no farm marketing quota for any crop of wheat shall
4 be applicable to any farm with a base of fifteen acres or less
5 (hereinafter called 'small-farm base acreage') if the acreage
6 of such crop of wheat *on the farm* does not exceed the small-
7 farm base acreage determined for the farm, unless the owner
8 or operator *of the farm* elects in writing on a form and within
9 the time prescribed by the Secretary to be subject to the
10 farm acreage allotment *and marketing quota*. For the pur-
11 poses of this section, the small-farm base acreage for a farm
12 shall be the average acreage of the crops of wheat planted
13 for harvest in the calendar years 1959, 1960, and 1961, or
14 such later ~~two-year~~ period determined by the Secretary to be
15 representative, with adjustments for abnormal weather con-
16 ditions, established crop-rotation practices on the farm, and
17 such other factors as the Secretary determines should be
18 considered for the purpose of establishing a fair and equitable
19 small-farm base acreage. *If the owner or operator elects to*
20 *be subject to the farm acreage allotment and marketing quota.*
21 *the acreage allotment for the farm shall be the larger of (i)*
22 *the allotment otherwise determined for the farm, or (ii) the*
23 *small-farm base acreage for the farm established on the basis*
24 *of the crops for the calendar years 1959, 1960, and 1961,*

1 *reduced by the same percentage by which the national acreage*
 2 *allotment for the crop is reduced below fifty-five million acres.*
 3 If the owner or operator of any such farm fails to make such
 4 election with respect to any crop of wheat, (i) for the pur-
 5 poses of Public Law 74, Seventy-seventh Congress (7 U.S.C.
 6 1340), as amended, the farm acreage allotment for such
 7 crop of wheat shall be deemed to be the *larger of the acreage*
 8 *allotment or the* small-farm base acreage determined for the
 9 farm, ~~if the acreage of such crop exceeds such base acreage;~~
 10 (ii) the land-use provisions of section 339 shall be inap-
 11 plicable to the farm, (iii) such crop of wheat shall not be
 12 eligible for price support, *and* (iv) wheat marketing certif-
 13 icates applicable to such crop shall not be issued with respect
 14 to the farm;— ~~and (v) the producers of the farm shall not be~~
 15 ~~eligible to vote in any referendum held with respect to a~~
 16 ~~marketing quota program applicable to such crop of wheat.~~
 17 *The additional acreage required to provide acreage allotments*
 18 *for farms based upon small-farm base acreages under this*
 19 *section shall be in addition to National, State, and county*
 20 *acreage allotments.*

21 SEC. 416. Section 336 of the Agricultural Adjustment
 22 Act of 1938, as amended, is hereby amended to read as
 23 follows:

“REFERENDUM

1
2 “SEC. 336. If a national marketing quota for wheat for
3 one, two, or three marketing years is proclaimed, the Secre-
4 tary shall, not later than sixty days after such proclamation
5 is published in the Federal Register, conduct a referendum,
6 by secret ballot, of farmers to determine whether they favor
7 or oppose marketing quotas for the marketing year or years
8 for which proclaimed. Any producer who has a farm acre-
9 age allotment shall be eligible to vote in any referendum
10 held pursuant to this section, except a producer who has a
11 small-farm base acreage for such crop of wheat and who
12 does not elect, pursuant to section 335, to be subject to the
13 farm marketing quota. The Secretary shall proclaim the re-
14 sults of any referendum held hereunder within thirty days
15 after the date of such referendum, and if the Secretary de-
16 termines that more than one-third of the farmers voting in
17 the referendum voted against marketing quotas, the Secre-
18 tary shall proclaim that marketing quotas will not be in effect
19 with respect to the crop of wheat produced for harvest in
20 the calendar year following the calendar year in which the
21 referendum is held. If the Secretary determines that two-
22 thirds or more of the farmers voting in a referendum approve
23 marketing quotas for a period of two or three marketing

1 years, no referendum shall be held for the subsequent year or
2 years of such period.”

3 SEC. 417. Section 337 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by deleting
5 the provisions thereof and substituting the following:

6 “SUBSTITUTION OF FEED GRAINS FOR WHEAT

7 “SEC. 337. Notwithstanding any other provision of law,
8 the Secretary ~~may~~ *shall* permit producers of feed grains to
9 have acreage devoted to the production of feed grains consid-
10 ered as devoted to the production of wheat ~~to such extent and~~
11 ~~subject to such terms and conditions as the Secretary deter-~~
12 ~~mines will not impair the effective operation of this sub-~~
13 ~~title B.~~”

14 SEC. 418. The Agricultural Adjustment Act of 1938,
15 as amended, is hereby amended by adding after section 338 a
16 new section as follows:

17 “LAND USE

18 “SEC. 339. (a) (1) During any year in which market-
19 ing quotas for wheat are in effect, the producers on any farm
20 (except a new farm receiving an allotment from the reserve
21 for new farms) on which any crop is produced on acreage
22 required to be diverted from the production of wheat shall
23 be subject to a penalty on such crop, in addition to any
24 marketing quota penalty applicable to such crops, as pro-
25 vided in this subsection unless (i) the crop is designated by

1 the Secretary as one which is not in surplus supply and will
2 not be in surplus supply if it is permitted to be grown on the
3 diverted acreage, or as one the production of which will not
4 substantially impair the purpose of the requirements of this
5 section, or (2) no wheat is produced on the farm, and the
6 producers have not filed an agreement or a statement of
7 intention to participate in the payment program formulated
8 pursuant to subsection (b) of this section. The acreage
9 required to be diverted from the production of wheat on the
10 farm shall be an acreage of cropland equal to the number
11 of acres determined by multiplying the farm acreage allot-
12 ment by the diversion factor determined by dividing the
13 number of acres by which the national acreage allotment is
14 reduced below fifty-five million acres by the number of acres
15 in the national acreage allotment. The actual production of
16 any crop subject to penalty under this subsection shall be
17 regarded as available for marketing and the penalty on such
18 crop shall be computed on the actual acreage of such crop
19 at the rate of 65 per centum of the parity price per bushel
20 of wheat as of May 1 of the calendar year in which such
21 crop is harvested, multiplied by the normal yield of wheat
22 per acre established for the farm. Until the producers on
23 any farm pay the penalty on such crop, the entire crop of
24 wheat produced on the farm and any subsequent crop of
25 wheat subject to marketing quotas in which the producer

1 has an interest shall be subject to a lien in favor of the United
2 States for the amount of the penalty. Each producer having
3 an interest in the crop or crops on acreage diverted or
4 required to be diverted from the production of wheat shall
5 be jointly and severally liable for the entire amount of the
6 penalty. The persons liable for the payment or collection of
7 the penalty under this section shall be liable also for interest
8 thereon at the rate of 6 per centum per annum from the date
9 the penalty becomes due until the date of payment of such
10 penalty.

11 “(2) The Secretary may require that the acreage on
12 any farm diverted from the production of wheat be land
13 which was diverted from the production of wheat in the
14 previous year, to the extent he determines that such require-
15 ment is necessary to effectuate the purposes of this subtitle.

16 “(3) The Secretary may permit the diverted acreage
17 to be grazed in accordance with regulations prescribed by
18 the Secretary.

19 “(b) The Secretary is authorized to formulate and carry
20 out a program with respect to the 1963, 1964, and 1965
21 crops of wheat under which, subject to such terms and con-
22 ditions as he determines are desirable to effectuate the pur-
23 poses of this section, payments may be made in amounts
24 determined by the Secretary to be fair and reasonable with
25 respect to acreage diverted pursuant to subsection (a) of this

1 section. The Secretary may permit producers on any farm
2 to divert from the production of wheat an acreage, in addi-
3 tion to the acreage diverted pursuant to subsection (a),
4 equal to 20 per centum of the farm acreage allotment for
5 wheat: *Provided*, That the producers on any farm may, at
6 their election, divert such acreage in addition to the acreage
7 diverted pursuant to subsection (a), as will bring the total
8 acreage diverted on the farm to fifteen acres. Such program
9 shall require (1) that the diverted acreage shall be devoted to
10 conservation uses approved by the Secretary; (2) that the
11 total acreage of cropland on the farm devoted to soil-
12 conserving uses, including summer fallow and idle land but
13 excluding the acreage diverted as provided above, and acre-
14 age diverted under the land-use provisions for feed grains
15 pursuant to section 360j, shall be not less than the total
16 average acreage of cropland devoted to soil-conserving uses
17 including summer fallow and idle land on the farm during
18 a representative period, as determined by the Secretary,
19 adjusted to the extent the Secretary determines appropriate
20 for (i) abnormal weather conditions or other factors affecting
21 production, (ii) established crop-rotation practices on the
22 farm, (iii) participation in other Federal farm programs
23 (iv) unusually high percentage of land on the farm devoted
24 to conserving uses, and (v) other factors which the Secre-
25 tary determines should be considered for the purpose of

1 establishing a fair and equitable soil-conserving acreage for
 2 the farm; and (3) that the producer shall not knowingly
 3 exceed (i) any farm acreage allotment in effect for any
 4 commodity produced on the farm, and (ii) except as the
 5 Secretary may by regulations prescribe, with the farm acre-
 6 age allotments on any other farm for any crop in which the
 7 producer has a share: *Provided*, That no producer shall be
 8 deemed to have exceeded a farm acreage allotment for wheat
 9 if the entire amount of the farm marketing excess is delivered
 10 to the Secretary or stored in accordance with applicable
 11 regulations to avoid or postpone payment of the penalty.
 12 The producers on a new farm shall not be eligible for pay-
 13 ments hereunder. ~~The Secretary shall provide for the~~
 14 ~~sharing of payment among producers on the farm on a fair~~
 15 ~~and equitable basis.~~ Payments may be made in cash or in
 16 wheat. *The Secretary shall provide for the sharing of pay-*
 17 *ment among producers on the farm on a fair and equitable*
 18 *basis. The following factors shall be given consideration in*
 19 *arriving at the division of payment:*

20 “(1) *The basis on which producers would have*
 21 *shared in the production of feed grains had feed grains*
 22 *been produced on the diverted acreage;*

23 “(2) *The savings or benefits accruing to each pro-*
 24 *ducer on the diverted acreage;*

25 “(3) *The respective contribution of each producer to*

1 *the establishment and maintenance of the conservation use*
2 *on the acreage designated as diverted from production;*
3 *and*

4 “(4) *The respective relationship of the diverted acre-*
5 *age and increased conservation acreage to the various*
6 *ownership tracts comprising a farm.*

7 “(c) *The Secretary may provide for adjusting any pay-*
8 *ment on account of failure to comply with the terms and*
9 *conditions of the land-use program formulated under sub-*
10 *section (b) of this section. Where a producer is not entitled*
11 *to receive full payment under the program formulated under*
12 *subsection (b) of this section because of failure to comply with*
13 *the terms and conditions of the program, the Secretary is*
14 *authorized to make partial payment to the producer propor-*
15 *tionate to the performance rendered.*

16 “(d) *Not to exceed 50 per centum of any payment to*
17 *producers under subsection (b) of this section may be made*
18 *in advance of determination of performance.*

19 “(e) *The program formulated pursuant to subsection*
20 *(b) of this section may include such terms and conditions,*
21 *in addition to those specifically provided for herein, as the*
22 *Secretary determines are desirable to effectuate the purposes*
23 *of this section.*

24 “(f) *The Secretary is authorized to promulgate such*

1 regulations as may be desirable to carry out the provisions of
2 this section.

3 “(g) The Commodity Credit Corporation is authorized
4 to utilize its capital funds and other assets for the purpose of
5 making the payments authorized in this section and to pay
6 administrative expenses necessary in carrying out this sec-
7 tion during the period ending June 30, 1963. There is
8 authorized to be appropriated such amounts as may be
9 necessary thereafter to pay such administrative expenses.

10 “(h) Notwithstanding any other provision of law, per-
11 formance rendered in good faith in reliance upon action or
12 advice of an authorized representative of the Secretary may
13 be accepted as meeting the requirements of this section, or of
14 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
15 298), and payment may be made therefor in accordance with
16 such action or advice to the extent the Secretary deems it
17 desirable in order to provide fair and equitable treatment.”

18 SEC. 419. Public Law 74, Seventy-seventh Congress (7
19 U.S.C. 1340), as amended, is hereby amended as follows:

20 (1) By amending paragraph (1) to read as fol-
21 lows:

22 “(1) The farm marketing quota for any crop of
23 wheat shall be the actual production of the acreage
24 planted to such crop of wheat on the farm less the farm
25 marketing excess. The farm marketing excess shall be

an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of ~~this Act~~ *the Agricultural Adjustment Act of 1938, as amended*, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be pre-

scribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof

1 “twice the” between “of” and “normal” in the phrase
2 “upon the basis of normal production”.

3 (4) By amending paragraph (4) to read as fol-
4 lows:

5 “(4) Until the producers on any farm store, deliver
6 to the Secretary, or pay the penalty on, the farm mar-
7 keting excess of any crop of wheat, the entire crop of
8 wheat produced on the farm and any subsequent crop of
9 wheat subject to marketing quotas in which the producer
10 has an interest shall be subject to a lien in favor of the
11 United States for the amount of the penalty.”

12 (5) By striking out “corn or” from paragraph (5).

13 (6) By striking out “corn or” from paragraph (6).

14 (7) By repealing paragraph (7), and by renum-
15 bering paragraphs (8) through (11) as (7) through
16 (10), respectively.

17 (8) By striking out “corn or” and “as the case
18 may be” from paragraph (8), redesignated by this
19 section as paragraph (7), and adding at the end of
20 such paragraph the following sentence:

21 “If the buyer fails to collect such penalty, such
22 buyer and all persons entitled to share in the wheat
23 marketed from the farm or the proceeds thereof shall
24 be jointly and severally liable for such penalty.”

1 (9) By repealing paragraph (12), and by adding
2 the following new paragraphs to follow paragraph (11),
3 redesignated by this section as paragraph (10):

4 “(11) The persons liable for the payment or col-
5 lection of the penalty on any amount of wheat shall
6 be liable also for interest thereon at the rate of 6 per
7 centum per annum from the date the penalty becomes
8 due until the date of payment of such penalty.

9 “(12) If marketing quotas for wheat are not in
10 effect for any marketing year, all previous marketing
11 quotas applicable to wheat shall be terminated, effective
12 as of the first day of such marketing year. Such termi-
13 nation shall not abate any penalty previously incurred
14 by a producer or relieve any buyer of the duty to remit
15 penalties previously collected by him.”

16 SEC. 420. Section 371 of the Agricultural Adjustment
17 Act of 1938, as amended, is hereby amended as follows:

18 (1) Subsection (a) is amended by deleting “corn,
19 wheat,” in the first sentence thereof.

20 (2) The first sentence of subsection (b) is amended
21 by striking out “any national acreage allotment for corn
22 or”, “wheat,” and “in order to effect the declared policy
23 of this Act”.

24 SEC. 421. Section 385 of the Agricultural Adjustment
25 Act of 1938, as amended, is hereby amended by inserting in

1 the first sentence after "parity payment," the following:
2 "payment under section 339,".

3 SEC. 422. The amendments to the Agricultural Adjust-
4 ment Act of 1938, as amended, *and to Public Law 74, Sev-*
5 *enty-seventh Congress, as amended*, made by sections 410
6 through 421 of this Act shall be in effect only with respect to
7 programs applicable to the crops planted for harvest in the
8 calendar year 1963 or any subsequent year and the market-
9 ing years beginning in the calendar year 1963 or any sub-
10 sequent year.

11 WHEAT MARKETING ALLOCATION PROGRAM

12 SEC. 423. Title III of the Agricultural Adjustment Act
13 of 1938, as amended, is hereby amended (1) by designating
14 subtitles D and E as subtitles E and F, respectively, and (2)
15 by inserting after subtitle C a new subtitle D as follows:

16 "SUBTITLE D—WHEAT MARKETING ALLOCATION

17 "LEGISLATIVE FINDINGS

18 "SEC. 379a. Wheat, in addition to being a basic food,
19 is one of the great export crops of American agriculture and
20 its production for domestic consumption and for export is
21 necessary to the maintenance of a sound national economy
22 and to the general welfare. The movement of wheat from
23 producer to consumer, in the form of the commodity or any
24 of the products thereof, is preponderantly in interstate and
25 foreign commerce. Unreasonably low prices of wheat to

1 producers impair their purchasing power for nonagricultural
2 products and place them in a position of serious disparity
3 with other industrial groups. The conditions affecting the
4 production of wheat are such that without Federal assist-
5 ance, producers cannot effectively prevent disastrously low
6 prices for wheat. It is necessary, in order to assist wheat
7 producers in obtaining fair prices, to regulate the price of
8 wheat used for domestic food and for exports in the manner
9 provided in this subtitle.

10 "WHEAT MARKETING ALLOCATION

11 "SEC. 379b. During any marketing year for which a
12 marketing quota is in effect for wheat, beginning with the
13 marketing year for the 1963 crop, a wheat marketing allo-
14 cation program shall be in effect as provided in this subtitle.
15 Whenever a wheat marketing allocation program is in effect
16 for any marketing year the Secretary shall determine (1)
17 ~~the domestic component of~~ the wheat marketing allocation
18 which shall be the amount of wheat ~~which will be~~ used dur-
19 ing the marketing year for human consumption in the United
20 States, ~~less such portion not to exceed 50 per centum as the~~
21 ~~Secretary determines of the amount established pursuant to~~
22 ~~section 332 of this Act to be the desirable reduction during~~
23 ~~such marketing year in stocks of wheat owned by Commod-~~
24 ~~ity Credit Corporation, and (2) the export component of~~
25 ~~the wheat marketing allocation which shall be the portion of~~

1 exports during the marketing year and exports on which
2 marketing certificates shall be issued to producers in order
3 to achieve, insofar as practicable, the price and income
4 objectives of this subtitle, and ~~(3)~~ (2) the national allocation
5 percentage which shall be the percentage which the national
6 marketing allocation ~~(the sum of the domestic component~~
7 ~~and the export component)~~ is of the estimated production of
8 wheat during the calendar year in which such marketing
9 year begins. Each farm shall receive a wheat marketing al-
10 location for such marketing year equal to the number of
11 bushels obtained by multiplying the number of acres in the
12 farm acreage allotment for wheat by the estimated yield of
13 wheat for the farm as determined by the Secretary, and
14 multiplying the resulting number of bushels by the national
15 allocation percentage. If a noncommercial wheat-producing
16 area is established for any marketing year, farms in such
17 area shall be given wheat marketing allocations which are
18 determined by the Secretary to be fair and reasonable in
19 relation to the wheat marketing allocation given producers in
20 the commercial wheat-producing area.

21 "MARKETING CERTIFICATES

22 "SEC. 379c. (a) The Secretary shall provide for the is-
23 suance of wheat marketing certificates for each marketing
24 year for which a wheat marketing allocation program is in

1 effect for the purpose of enabling producers on any farm with
2 respect to which certificates are issued to receive, in addition
3 to the other proceeds from the sale of wheat, an amount equal
4 to the value of such certificates. The wheat marketing cer-
5 tificates issued with respect to any farm for any marketing
6 year shall be in the amount of the farm wheat marketing
7 allocation for such year, but not to exceed (i) the actual
8 acreage of wheat planted on the farm for harvest in the
9 calendar year in which the marketing year begins multiplied
10 by the estimated yield of wheat for the farm, plus (ii) the
11 amount of wheat stored to avoid or postpone a marketing
12 quota penalty, which is released from storage during the
13 marketing year on account of underplanting or underproduc-
14 tion. ~~The marketing certificates issued with respect to any~~
15 ~~farm shall be divided between export certificates and domes-~~
16 ~~tic certificates in the same proportion as the national wheat~~
17 ~~marketing allocation is divided between the domestic com-~~
18 ~~ponent and the export component of such allocation.~~ The
19 Secretary shall provide for the sharing of wheat marketing
20 certificates among producers on the farm on the basis of their
21 respective shares in the wheat crop produced on the farm,
22 or the proceeds therefrom.

23 “(b) No producer shall be eligible to receive wheat
24 marketing certificates with respect to any farm for any
25 marketing year in which a marketing quota penalty is

1 assessed for any commodity on such farm or in which the
2 farm has not complied with the land-use requirements of
3 section 339 to the extent prescribed by the Secretary, or in
4 which, except as the Secretary may by regulation prescribe,
5 the producer exceeds the farm acreage allotment on any
6 other farm for any commodity in which he has an interest
7 as a producer. No producer shall be deemed to have ex-
8 ceeded a farm acreage allotment for wheat if the entire
9 amount of the farm marketing excess is delivered to the
10 Secretary or stored in accordance with applicable regulations
11 to avoid or postpone payment of the penalty.

12 “(c) Whenever a wheat marketing allocation program
13 is in effect for any marketing year, the Secretary shall
14 determine and proclaim for such marketing year the face
15 value per bushel of ~~domestic~~ marketing certificates ~~and the~~
16 ~~face value per bushel of export marketing certificates.~~ The
17 face value per bushel of ~~domestic~~ marketing certificates shall
18 be equal to the amount by which the level of price support
19 for wheat accompanied by ~~domestic~~ certificates exceeds the
20 level of price support for wheat not accompanied by certifi-
21 cates (noncertificate wheat). ~~The face value per bushel of~~
22 ~~the export certificates shall be equal to the amount by which~~
23 ~~the level of price support for wheat accompanied by export~~
24 ~~certificates exceeds the level of price support for nonecertifi-~~
25 ~~cate wheat.~~

1 “(d) Marketing certificates and transfers thereof shall
2 be represented by such documents, marketing cards, records,
3 accounts, certifications, or other statements or forms as the
4 Secretary may prescribe.

5 “MARKETING RESTRICTIONS

6 “SEC. 379d. (a) All persons are prohibited from acquir-
7 ing marketing certificates from the producer to whom such
8 certificates are issued, unless such certificates are acquired in
9 connection with the acquisition from such producer of a num-
10 ber of bushels of wheat equivalent to the marketing certifi-
11 cates. Marketing certificates shall be transferable only in
12 accordance with regulations prescribed by the Secretary.
13 Any unused certificates held by persons other than the pro-
14 ducer to whom such certificates are issued shall be purchased
15 by Commodity Credit Corporation. Notwithstanding the
16 foregoing provisions of this section, Commodity Credit Cor-
17 poration is authorized to purchase from producers certificates
18 not accompanied by wheat in cases where the Secretary
19 determines that it would constitute an undue hardship to
20 require the producer to transfer his certificates only in con-
21 nection with the disposition of wheat.

22 “(b) During any marketing year for which a wheat
23 marketing allocation program is in effect, (i) all persons
24 engaged in the processing of wheat into food products com-
25 posed wholly or partly of wheat shall, prior to marketing

1 any such product for human food in the United States, ac-
 2 quire ~~domestic~~ marketing certificates equivalent to the num-
 3 ber of bushels of wheat contained in such product, and (ii)
 4 ~~each person~~ *all persons* exporting wheat or food products
 5 composed wholly or partly of wheat shall prior to such export
 6 acquire ~~export~~ marketing certificates equivalent to the number
 7 of bushels so exported. If the Secretary determines that such
 8 requirement is desirable for the effective administration of
 9 this subsection, he may require domestic certificates to be
 10 acquired on all first sales of food products composed wholly
 11 or partly of wheat including sales for export, but upon the
 12 exportation from the United States of any such food prod-
 13 uct, Commodity Credit Corporation shall pay to the ex-
 14 porter an amount equal to the difference between the face
 15 value of domestic certificates and export certificates for the
 16 quantity of food products so exported. Marketing certifi-
 17 cates shall be valid to cover only sales or exportations made
 18 during the marketing year with respect to which they are
 19 issued, and after being once used to cover a sale or export of
 20 a food product or an export of wheat shall be void and shall
 21 be disposed of in accordance with regulations prescribed by
 22 the Secretary.

23 “(c) Upon the giving of a bond or other undertaking
 24 satisfactory to the Secretary, and subject to such regulations
 25 as he may prescribe, to secure the purchase of and payment

1 for such marketing certificates as may be required, any per-
2 son required to have marketing certificates in order to mar-
3 ket or export a commodity may market any such commodity
4 without having first acquired marketing certificates.

5 “(d) As used in this subtitle, the term ‘food products’
6 means any product to be used for human consumption, in-
7 cluding beverage.

8 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
9 CERTIFICATES

10 “SEC. 379e. For the purpose of facilitating the purchase
11 and sale of marketing certificates, the Commodity Credit
12 Corporation is authorized to issue, buy, and sell marketing
13 certificates in accordance with regulations prescribed by the
14 Secretary. Such regulations may authorize the Corporation
15 to issue and sell certificates in excess of the quantity of cer-
16 tificates which it purchases and in the purchase and sale of
17 marketing certificates to make such discounts and charge
18 such premiums not exceeding 5 2 per centum of the face
19 value of the certificate as the Secretary shall determine
20 necessary to encourage the purchase and sale of such certif-
21 icates through commercial channels.

22 “CONVERSION FACTORS

23 “SEC. 379f. The Secretary shall establish conversion
24 factors which shall be used to determine the amount of wheat
25 contained in any food product. The conversion factor for

1 any such food product shall be determined upon the basis of
2 the weight of wheat used in the manufacture of such product.

3 "AUTHORITY TO FACILITATE TRANSITION

4 "SEC. 379g. The Secretary is authorized to take such
5 action as he determines to be necessary to facilitate the tran-
6 sition from the program currently in effect to the program
7 provided for in this subtitle. Notwithstanding any other pro-
8 vision of this subtitle, such authority shall include, but shall
9 not be limited to, the authority to exempt all or a portion of
10 the wheat or food products made therefrom in the channels of
11 trade on the effective date of the program under this subtitle
12 from the marketing restrictions in subsection (b) of section
13 379d, or to sell certificates to persons owning such wheat or
14 food products at such prices as the Secretary may determine.
15 Any such certificate shall be issued by Commodity Credit
16 Corporation.

17 "REPORTS AND RECORDS

18 "SEC. 379h. This section shall apply to warehousemen,
19 processors, common carriers, and other handlers of wheat and
20 food products containing wheat, all persons engaged in the
21 business of purchasing, selling, exporting, or transporting
22 wheat or food products containing wheat, and all persons
23 purchasing, selling, or otherwise dealing in wheat marketing
24 certificates. Any such person shall, from time to time on
25 request of the Secretary, report to the Secretary such in-

1 formation and keep such records as the Secretary finds to be
2 necessary to enable him to carry out the provisions of this
3 subtitle. Such information shall be reported and such records
4 shall be kept in such manner as the Secretary shall prescribe.
5 For the purpose of ascertaining the correctness of any report
6 made or record kept, or of obtaining information required to
7 be furnished in any report, but not so furnished, the Secretary
8 is hereby authorized to examine such books, papers, records,
9 accounts, correspondence, contracts, documents, and memo-
10 randums as he has reason to believe are relevant and are
11 within the control of such person.

12 "PENALTIES

13 "SEC. 379i. (a) Any person who violates or attempts
14 to violate or who participates or aids in the violation of any
15 of the provisions of subsection (b) of section 379d of this
16 Act shall forfeit to the United States a sum equal to two
17 times the face value of the marketing certificates involved in
18 such violation. Such forfeiture shall be recoverable in a
19 civil action brought in the name of the United States.

20 ~~"(b) Any person who violates or attempts to violate~~
21 ~~or who participates or aids in the violation of any provision~~
22 ~~of this subtitle, or of any regulation, governing the acquisi-~~
23 ~~tion, disposition, or handling of marketing certificates shall~~
24 ~~be deemed guilty of a misdemeanor and upon conviction~~

1 thereof shall be subject to a fine of not more than \$5,000
2 for each violation.

3 “(c) Any person failing to make any report or keep
4 any record as required by section 379h shall be deemed
5 guilty of a misdemeanor and upon conviction thereof shall
6 be subject to a fine of not more than \$5,000 for each
7 violation.

8 “(b) Any person, except a producer who is subject to
9 subsection (c) of this section, who violates or attempts to vio-
10 late or who participates or aids in the violation of any pro-
11 vision of this subtitle, or of any regulation, governing the
12 acquisition, disposition, or handling of marketing certificates
13 or who fails to make any report or keep any record as re-
14 quired by section 379h shall be deemed guilty of a misde-
15 meanor and upon conviction thereof shall be subject to a fine
16 of not more than \$5,000 for each violation.

17 “(c) Any person who, in his capacity as a producer, vio-
18 lates or attempts to violate or who participates or aids in the
19 violation of any provision of this subtitle, or of any regula-
20 tion, governing the acquisition, disposition, or handling of
21 marketing certificates or fails to make any report or keep any
22 record as required by section 379h shall, (i) forfeit any
23 right to receive marketing certificates, in whole or in part as
24 the Secretary may determine, with respect to the farm or

1 farms and for the marketing year with respect to which any
 2 such act or default is committed, or (ii), if such marketing
 3 certificates have already been issued, pay to the Secretary
 4 upon demand, the amount of the face value of such certificates,
 5 or such part thereof as the Secretary may determine. The de-
 6 termination by the Secretary with respect to the amount of
 7 such marketing certificates to be forfeited or the amount to be
 8 paid by such producer shall take into consideration the cir-
 9 cumstances relating to the act or default committed and the
 10 seriousness of such act or default.

11 “(d) Any person who falsely makes, issues, alters,
 12 forges, or counterfeits any marketing certificate, or with
 13 fraudulent intent possesses, transfers, or uses any such falsely
 14 made, issued, altered, forged, or counterfeited marketing cer-
 15 tificate, shall be deemed guilty of a felony and upon con-
 16 viction thereof shall be subject to a fine of not more than
 17 \$10,000 or imprisonment of not more than ten years, or
 18 both.

19 “REGULATIONS

20 “SEC. 379j. The Secretary shall prescribe such regula-
 21 tions as may be necessary to carry out the provisions of this
 22 subtitle including but not limited to regulations governing
 23 the acquisition, disposition, or handling of marketing cer-
 24 tificates.”

1 SEC. 424. The Agricultural Act of 1949, as amended,
2 is amended as follows:

3 (1) By inserting after section 106 the following new
4 section:

5 “SEC. 107. Notwithstanding the provisions of section
6 101 of this Act, beginning with the 1963 crop—

7 “(1) price support for wheat accompanied by do-
8 mestic marketing certificates shall be at such level not
9 less than 75 per centum or more than 90 per centum of
10 the parity price therefor as the Secretary determines
11 appropriate taking into consideration the factors specified
12 in section 401 (b),

13 “~~(2)~~ price support for wheat accompanied by ex-
14 port marketing certificates shall be at such level not
15 more than 90 per centum of the parity price therefor as
16 the Secretary determines appropriate taking into con-
17 sideration the factors specified in section 401(b),

18 “~~(3)~~ (2) price support for wheat not accompanied
19 by marketing certificates shall be at such level as the
20 Secretary determines appropriate taking into considera-
21 tion competitive world prices of wheat, the feeding value
22 of wheat in relation to feed grains, and the level at which
23 price support is made available for feed grains,

24 “~~(4)~~ (3) if marketing quotas are in effect for the

1 crop of wheat, ~~(i)~~ price support shall be made available
 2 only to cooperators; and ~~(ii)~~ if a commercial wheat-
 3 producing area is established for such crop, price sup-
 4 port shall be made available only in the commercial
 5 wheat-producing area;

6 “~~(5)~~ (4) no price support shall be made available
 7 for any crop of wheat for which marketing quotas are
 8 not in effect because of disapproval of quotas by pro-
 9 ducers,

10 “~~(6)~~ (5) the level of price support for any crop of
 11 wheat for which a national marketing quota is not pro-
 12 claimed shall be as provided in section 101, and

13 “~~(7)~~ (6) a ‘cooperator’ with respect to any crop of
 14 wheat produced on a farm shall be a producer who (i)
 15 does not knowingly exceed (A) the farm acreage al-
 16 lotment for wheat or any other commodity on the farm
 17 or (B) except as the Secretary may by regulation pre-
 18 scribe, the farm acreage allotment on any other farm
 19 for any commodity in which he has an interest as a pro-
 20 ducer, and (ii) complies with the land-use requirements
 21 of section 339 of the Agricultural Adjustment Act of
 22 1938, as amended, to the extent prescribed by the Sec-
 23 retary. No producer shall be deemed to have exceeded
 24 a farm acreage allotment for wheat if the entire amount
 25 of the farm marketing excess is delivered to the Secre-

1 tary or stored in accordance with applicable regulations
2 to avoid or postpone payment of the penalty, but the
3 producer shall not be eligible to receive price support on
4 such marketing excess.”

5 (2) By changing the period at the end of the
6 third sentence in section 407 to a colon and adding the
7 following: “*Provided*, That if a ~~commercial~~ wheat mar-
8 keting allocation program is in effect, the current support
9 price for wheat shall be the support price for wheat ac-
10 companied by a domestic certificate and wheat sold shall
11 be accompanied by a domestic certificate.”



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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BUDGET AND FINANCE

(For information only;
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Issued March 28, 1962
For actions of March 27, 1962
87th-2d, No. 47

CONTENTS

ACP.....21	Education.....32,38	Government operations...18
Animal disease.....22	Electrification.....24,30	Land reform.....28
Appropriations...7,9,38,41	Employment.....34	Lands.....30,31
Area redevelopment.....1	Farm program.....8,28,40	Legislative program.....7
Capital improvements..1,23	Flood insurance.....5,20	Patents.....11
Conservation.....21	Foreign affairs.....19	Peace Corps.....26
Contracts.....13	Foreign aid.....5	Personnel.....27,32
Cotton.....12	Foreign trade...3,8,12,29	Public Law 480.....5
Dairy price supports.....2	Forest Service.....25	Public works.....23
Disaster loans.....36	Forestry.....10	Reclamation.....37
		Retirement.....33
		Ryukyu Islands.....39
		School lunch.....14
		Small business.....15
		Surplus property.....35
		Taxation.....33
		Territories.....14
		Textiles.....16
		Tobacco.....17
		Transportation.....4
		Waterfowl.....21

HIGHLIGHTS: House subcommittee voted to report agriculture trade development section of farm bill. House passed Labor-HEW appropriation bill. Sen. Chavez submitted Administration proposal for immediate capital improvements program in redevelopment areas.

SENATE

1. AREA REDEVELOPMENT; CAPITAL IMPROVEMENTS. Sen. Chavez submitted a proposed amendment, received from the President, to S. 2965, the proposed Standby Capital Improvements Act of 1962, to authorize immediate initiation of a \$600 million capital improvements program in redevelopment areas and in communities which have been designated for 12 months or more as areas of substantial unemployment. pp. 4675-6
Sen. Humphrey commended the President's proposed amendment. pp. 4696-8
2. DAIRY PRICE SUPPORTS. Sen. Wiley inserted his statement urging enactment of legislation to provide for dairy price supports at between \$3.11 and \$3.40 per hundredweight and a newspaper editorial, "Need Action in Dairy Crisis, Not Political Maneuvers." p. 4717
3. FOREIGN TRADE. Sen. Wiley urged adoption of a foreign trade policy which would provide for "promoting export trade but, at the same time, guarding against too great harm to our domestic industries from a too-large volume of imports." pp. 4716-7

4. TRANSPORTATION. Sen. Cotton expressed "impatience with the administration's failure to send a timely message to Congress dealing with the serious problems in transportation," and inserted an editorial, "Indifference, in High Places, Toward Common Carriers." pp. 4719-20
5. FOREIGN AID. Sen. Humphrey inserted an article discussing the use of Public Law 480 counterpart funds for rehabilitation of crippled children in Brazil and urged greater use of these funds for such purposes. pp. 4722-3
6. FLOOD INSURANCE. Sen. Dodd urged that steps be taken to "reactivate the provisions of the Federal Flood Insurance Act of 1956." p. 4724
7. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Treasury-Post Office appropriation bill will be considered Wed., Mar. 28. p. 4694

HOUSE

8. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Foreign Agriculture Operations of the Agriculture Committee "ordered reported favorably to the full committee title II (amended), the agriculture trade development section of H. R. 10010, the general farm bill." p. D213
9. APPROPRIATIONS. Passed with an amendment H. R. 10904, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for 1963. pp. 4728-57
Received from this Department a report on an overobligation of an allotment. p. 4774
10. FORESTRY. Received from this Department a proposed bill "to add certain land-utilization project lands to the Pike National Forest in Colorado and the Carson National Forest and the Santa Fe National Forest in New Mexico; to Agriculture Committee. p. 4774
11. PATENTS. Received from Commerce a proposed bill "To fix the fees payable to the Patent Office"; to Judiciary Committee. p. 4774
12. FOREIGN TRADE. The Agriculture Committee reported without amendment H. R. 10786 to amend section 204 of the Agricultural Act of 1956 to authorize the President to extend import-export controls to non-participants in multilateral cotton textile agreements (H. Rept. 1511). p. 4774
13. CONTRACTS. The Education and Labor Committee voted to report (but did not actually report) H. R. 10766, to amend the Davis-Bacon Act to define the term "wages" as used in the Act. p. D213
14. TERRITORIES. The Subcommittee on Territorial and Insular Affairs of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 10062, to extend the application of certain laws to American Samoa including extension of the provisions of the National School Lunch Act to Samoa and authorizing the USDA to make available to the territory technical, scientific, and other agricultural program assistance on a selective and limited basis. p. D213
15. SMALL BUSINESS. Rep. Ashley discussed his bill H. R. 10683, to repeal the small business set-aside in Government construction, maintenance and repair contracts, saying, "the construction set-aside as presently operated is

Digest of CONGRESSIONAL PROCEEDINGS

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(For information only;
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For actions of March 28, 1962
87th-2d, No. 48

CONTENTS

Acreage allotments.....34	Electrification.....29	Livestock diseases.....2
Animal research.....31	Extension work.....14	Meat grading.....15
Appropriations.....10	Farm credit.....16	Monopolies.....21
Banking and currency....37	Farm program.....1,20,35	Nominations.....16
Budget.....41	Feed grains.....24	Patents.....32
Conservation.....27	Foreign currencies.....7	Peace Corps.....6,12
Consumers.....21	Foreign trade.....17,23	Personnel.....30,42
Contracts.....5,43	Forestry.....13,22	Potatoes.....34
Cooperatives.....3,18	Humane treatment.....31	Property.....26
Cropland retirement.....35	Labeling.....25	Public works.....28,33
Dairy price supports.....9	Land-use adjustment.....1	Purchasing.....5
Economic situation.....19	Laws.....38	Research contracts.....43
		Retirement.....30
		Safety.....44
		Saline water.....8
		School lunch.....4
		Sugar.....11
		Taxation.....3
		Territories.....4
		Textiles.....36
		Transportation.....40
		Water pollution.....39

HIGHLIGHTS: Senate committee voted not to report bill to continue current support prices for milk and butterfat. House subcommittee voted to report land-use adjustment sections of farm bill. Sen. Smathers urged early enactment of long-range sugar program. Senate began debate on Treasury-Post Office-Executive Office appropriation bill. House began debate on tax bill. Rep. Randall inserted Secretary's speech.

HOUSE

. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee with amendment title I, on land-use adjustment, of H. R. 10010, the omnibus farm bill. p. D219

Rep. Findley criticized the proposed Food and Agriculture Act of 1962, saying, "I will do my utmost on the Committee on Agriculture to kill the entire bill, as I am convinced that no legislation is far to be preferred to any modification of a bill that is so basically against the interests of the farmer." p. 4868

. LIVESTOCK DISEASES. The Agriculture Committee reported with amendments S. 830, to grant the Secretary of Agriculture additional authority to provide greater protection against the introduction and dissemination of diseases of livestock and poultry (H. Rept. 1516). p. 4937

3. TAXATION; COOPERATIVES. Began debate on H. R. 10650, the proposed Revenue Act of 1962, including revisions in tax provisions relative to cooperatives (see Digest 38 for items of interest). pp. 4863-920
4. TERRITORIES. The Interior and Insular Affairs Committee reported with amendments H. R. 10062, to extend the application of certain laws to American Samoa including extension of the provisions of the National School Lunch Act to Samoa and authorizing the USDA to make available to the territory technical, scientific, and other agricultural program assistance on a selective and limited basis (H. Rept. 1536). (p. 4937). The committee earlier voted to report this bill (p. D220).
5. PURCHASING. The Education and Labor Committee voted to report (but did not actually report) H. R. 10946 (in lieu of H. R. 10766), to amend the Davis-Bacon Act to define the term "wages" as used in the Act, and H. R. 10786, to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the U. S. for any territory, or for D. C. p. D220
6. PEACE CORPS. The Rules Committee reported a resolution for the consideration of H. R. 10700, to authorize increased appropriations for the Peace Corps. pp. 4868, 4937
7. FOREIGN CURRENCIES. Received from the House Administration Committee the reports of several committees on the expenditures of foreign currencies and appropriated funds in travel abroad. pp. 4931-7
8. SALINE WATER. Received from Interior a report on that Department's operations during 1961 under the Saline Water Act of 1952. p. 4937

SENATE

9. DAIRY PRICE SUPPORTS. By a vote of 11 to 5, the Agriculture and Forestry Committee voted not to report S. J. Res. 150, to continue for nine months additional the current price supports for milk and butterfat. p. D217
10. TREASURY-POST OFFICE-EXECUTIVE OFFICE APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 10526. pp. 4819, 4839-60
11. SUGAR. Sen. Smathers urged early consideration of legislation to extend the Sugar Act, an increase in the quota of mainland cane sugar, and enactment of legislation to extend the program for at least 5 years. pp. 4804-5
12. PEACE CORPS. The Foreign Relations Committee voted to report (but did not actually report) with amendment S. 2935, to extend and expand the Peace Corps. p. D218
13. FORESTRY. Sen. Bennett submitted an amendment intended to be proposed to S. 2387, to provide for the establishment of the Canyonlands National Park Utah (includes National Forest lands). p. 4782
Sen. Moss urged support for legislation to establish the Canyonlands National Park. pp. 4828-31
Sen. Neuberger urged establishment of the Oregon Dunes as a national park and stated, "I firmly believe that the downgrading of the Oregon Dunes was a concession to the Department of Agriculture to give the Forest Service one beautiful area to develop for recreation." pp. 4860-1

Digest of CONGRESSIONAL PROCEEDINGS

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CONTENTS

Adjournment.....14,26	Farm credit.....9	Monopolies.....42
American Samoa.....25	Farm labor.....32	Nominations.....9
Appropriations.....1,6,22	Foreign trade.....24,29	Patents.....36
Conservation.....18,27	Forestry.....7	Peace Corps.....25
Contracts.....34	FHA.....15	Perishable commodities..17
Cooperatives.....16,30	Flood control.....33	Personnel.....12,39
Dairy industry.....5,43	Information.....41	Political activity.....12
Disaster loans.....25,35	Lands.....4	Poultry.....19,25
Education.....13	Legislative program.....25	Public works.....23,31
Electrification.....30,38	Livestock.....19,25	REA.....15,30
Employment.....39	Milk.....43	Reclamation.....38
Expenditures.....11	Minerals.....20	Research.....2
Farm program.....15,40	Monetary system.....25	St. Lawrence Seaway.....28
		Saline water.....8
		Science.....2
		Small business....34,35,37
		Soil conservation.....10
		Tariffs.....3,24
		Taxation.....16
		Textiles.....25
		Tomatoes.....21
		Wildlife.....25
		Youth corps.....18,27

HIGHLIGHTS: House subcommittee voted to report REA and FHA section of farm bill. House passed tax bill. House committee reported Youth Conservation Corps bill. Senate passed Treasury-Post Office-Executive Office appropriation bill. Both Houses received President's reorganization plan on science and technology functions.

SENATE

1. TREASURY-POST OFFICE-EXECUTIVE OFFICE APPROPRIATION BILL, 1962. Passed as reported this bill, H. R. 10526. Conferees were appointed. (pp. 5023-33) This bill includes appropriations for the Bureau of the Budget, Council of Economic Advisers, and Advisory Commission on Intergovernmental Relations.
2. SCIENCE; RESEARCH. Both Houses received the President's Reorganization Plan No. 2 providing for certain reorganizations in the field of science and technology (H. Doc. 372) (pp. 5021-2, 5003-4). The Plan provides for the establishment of an Office of Science and Technology within the Executive Office of the President, the appointment of a director of the Office by the President with the advice and consent of the Senate, and the transfer to the Director of certain functions of the National Science Foundation.
3. TARIFFS. The Finance Committee voted to report (but did not actually report) without amendment H. R. 10607, to amend the Tariff Act of 1930 so as to provide

for the adoption and implementation of revised tariff schedules proposed by the Tariff Commission and to make certain amendments in existing law necessitated by the adoption of such revised schedules. p. D224

4. PUBLIC LANDS. The Public Lands Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 1485, to authorize the Secretary of the Interior to sell certain unsurveyed public lands along the Snake River in Idaho. p. D224
5. DAIRY INDUSTRY. Sen. Morse inserted a letter and resolution from the Malheur County (Ore.) Farm Bureau opposing the dairy provisions of the proposed farm bill. pp. 5051-2
6. APPROPRIATIONS. Received from this Department a report of an overobligation of an allotment. p. 5022
7. FORESTRY. Received from this Department a proposed bill to add certain land-utilization project lands to the Pike National Forest in Colorado and the Cars National Forest and the Santa Fe National Forest in New Mexico; to Agriculture and Forestry Committee. p. 5022
8. SALINE WATER. Received from Interior a report on the saline water program for 1961. p. 5022
9. NOMINATIONS. Confirmed the nominations of Jennings B. Fuller and William T. Steele to be members of the Federal Farm Credit Board, FCA. p. 5023
10. SOIL CONSERVATION. Agreed to without amendment S, Con. Res. 62, commemorating the 25th anniversary of the establishment of soil conservation districts. p. 5039
11. FEDERAL EXPENDITURES. Sen. Wiley spoke in favor of his proposal to provide for "the creation of a permanent Hoover-type Commission to keep a watchful eye on Federal spending." pp. 5050-1
12. PERSONNEL. Passed over, at the request of Sen. Carlson, S. 919, to amend the Hatch Political Activities Act so as to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days suspension for certain violations. p. 5038
13. EDUCATION. Sen. Morse inserted the transcript of his TV debate with Sen. Tower "What Should Be the Role of the Federal Government in Education?" pp. 5052-4
14. ADJOURNED until Mon., Apr. 2. p. 5054

HOUSE

15. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Conservation and Credit of the Agriculture Committee 'ordered reported favorably to the full committee title V (amended) (REA and Farmers Home Administration) of H. R. 10010, the general farm bill." p. D226
16. TAXATION. By a vote of 219 to 196, passed with amendments H. R. 10650, the proposed Revenue Act of 1962, including revisions in tax provisions relative to cooperatives (see Digest 38 for items of interest). pp. 4941-97

[COMMITTEE PRINT NO. 3]

March 29, 1962

WHEAT

(As approved by the Wheat Subcommittee March 26, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE B—WHEAT

3 SEC. 410. Section 331 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by striking out
5 the last paragraph thereof and inserting in lieu thereof the
6 following paragraphs:

7 “Wheat which is planted and not disposed of prior to the
8 date prescribed by the Secretary for the disposal of excess
9 acres of wheat is an addition to the total supply of wheat
10 and has a direct effect on the price of wheat in interstate and
11 foreign commerce and may also affect the supply and price

1 of livestock and livestock products. In the circumstances,
2 wheat not disposed of prior to such date must be considered
3 in the same manner as mechanically harvested wheat in order
4 to achieve the policy of the Act.

5 “The diversion of substantial acreages from wheat to
6 the production of commodities which are in surplus supply or
7 which will be in surplus supply if they are permitted to be
8 grown on the diverted acreage would burden, obstruct, and
9 adversely affect interstate and foreign commerce in such
10 commodities, and would adversely affect the prices of such
11 commodities in interstate and foreign commerce. Small
12 changes in the supply of a commodity could create a sufficient
13 surplus to affect seriously the price of such commodity in
14 interstate and foreign commerce. Large changes in the sup-
15 ply of such commodity could have a more acute effect on the
16 price of the commodity in interstate and foreign commerce
17 and, also, could overtax the handling, processing, and trans-
18 portation facilities through which the flow of interstate and
19 foreign commerce in such commodity is directed. Such ad-
20 verse effects caused by overproduction in one year could
21 further result in a deficient supply of the commodity in the
22 succeeding year, causing excessive increases in the price of
23 the commodity in interstate and foreign commerce in such
24 year. It is, therefore, necessary to prevent acreage diverted
25 from the production of wheat to be used to produce commodi-

1 ties which are in surplus supply or which will be in surplus
2 supply if they are permitted to be grown on the diverted
3 acreage.

4 “The provisions of this part affording a cooperative
5 plan to wheat producers are necessary in order to mini-
6 mize recurring surpluses and shortages of wheat in inter-
7 state and foreign commerce, to provide for the maintenance of
8 adequate reserve supplies thereof, to provide for an adequate
9 and orderly flow of wheat and its products in interstate and
10 foreign commerce at prices which are fair and reasonable
11 to farmers and consumers, and to prevent acreage diverted
12 from the production of wheat from adversely affecting other
13 commodities in interstate and foreign commerce.”

14 SEC. 411. Section 332 of the Agricultural Adjustment
15 Act of 1938, as amended, is hereby amended by striking out
16 the provisions of such section and by inserting in lieu thereof
17 the following:

18 “NATIONAL MARKETING QUOTA

19 “SEC. 332. (a) Whenever prior to ~~May~~ *April* 15 in any
20 calendar year the Secretary determines that the total supply
21 of wheat in the marketing year beginning in the next succeed-
22 ing calendar year will, in the absence of a marketing quota
23 program, likely be excessive, the Secretary shall proclaim
24 that a national marketing quota for wheat shall be in effect for
25 such marketing year and for either the following marketing

1 year or the following two marketing years, if the Secretary
2 determines and declares in such proclamation that a two-
3 or three-year marketing quota program is necessary to effec-
4 tuate the policy of the Act.

5 “(b) If a national marketing quota for wheat has been
6 proclaimed for any marketing year, the Secretary shall
7 determine and proclaim the amount of the national market-
8 ing quota for such marketing year not earlier than January 1
9 or later than ~~May~~ *April* 15 of the calendar year preceding
10 the year in which such marketing year begins. The amount
11 of the national marketing quota for wheat for any marketing
12 year shall be an amount of wheat which the Secretary esti-
13 mates (i) will be utilized during such marketing year for
14 human consumption in the United States as food, food prod-
15 ucts, and beverages, composed wholly or partly of wheat,
16 (ii) will be utilized during such marketing year in the United
17 States for seed, (iii) will be exported either in the form of
18 wheat or products thereof, and (iv) as the average amount
19 which was utilized as livestock (including poultry) feed in
20 the marketing years beginning in 1959 and 1960; less ~~(i)~~
21 ~~(A)~~ an amount of wheat equal to the estimated imports of
22 wheat into the United States during such marketing year and,
23 ~~(ii)~~ ~~(B)~~ if the stocks of wheat owned by the Commodity
24 Credit Corporation are determined by the Secretary to be

1 excessive, an amount of wheat, *not to exceed 16 per centum*
2 *of items (i), (ii), (iii), and (iv) above*, determined by the
3 Secretary to be a desirable reduction in such marketing year
4 in such stocks to achieve the policy of the Act: *Provided*,
5 That if the Secretary determines that the total stocks of
6 wheat in the Nation are insufficient to assure an adequate
7 carryover for the next succeeding marketing year, the na-
8 tional marketing quota otherwise determined shall be in-
9 creased by the amount the Secretary determines to be
10 necessary to assure an adequate carryover.

11 “(c) If, after the proclamation of a national marketing
12 quota for wheat for any marketing year, the Secretary has
13 reason to believe that, because of a national emergency or
14 because of a material increase in the demand for wheat, the
15 national marketing quota should be terminated or the amount
16 thereof increased, he shall cause an immediate investigation
17 to be made to determine whether such action is necessary
18 in order to meet such emergency or increase in the demand
19 for wheat. If, on the basis of such investigation, the Secre-
20 tary finds that such action is necessary, he shall immediately
21 proclaim such finding and the amount of any such increase
22 found by him to be necessary and thereupon such national
23 marketing quota shall be so increased or terminated. In case
24 any national marketing quota is increased under this sub-

1 section, the Secretary shall provide for such increase by
2 increasing acreage allotments established under this part by a
3 uniform percentage.”

4 SEC. 412. Section 333 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended to read as fol-
6 lows:

7 “NATIONAL ACREAGE ALLOTMENT

8 “SEC. 333. Whenever the amount of the national
9 marketing quota for wheat is proclaimed for any marketing
10 year, the Secretary at the same time shall proclaim a na-
11 tional acreage allotment for the crop of wheat planted for
12 harvest in the calendar year in which such marketing year
13 begins. The amount of the national acreage allotment for
14 any crop of wheat shall be the number of acres which the
15 Secretary determines on the basis of expected yields and
16 expected underplantings of farm acreage allotments will,
17 together with (1) the expected production of wheat in
18 ~~the nonecommercial area, if any~~ *on the increases in acreage*
19 *allotments for farms based upon small-farm base acreages*
20 *pursuant to section 335*, and (2) the expected production on
21 increased acreages resulting from the small-farm exemption
22 pursuant to section 335, make available a supply of wheat
23 equal to the national marketing quota for wheat for such
24 marketing year.”

1 SEC. 413. Section 334 of the Agricultural Adjustment
2 Act of 1938, as amended, is further amended as follows:

3 (1) By striking out "ten" wherever it appears in
4 subsections (a) and (b) thereof and by inserting in
5 lieu thereof "five".

6 (2) By amending subsection (e) thereof by in-
7 serting the following sentence immediately following
8 the eighth sentence thereof: "The land-use provisions
9 of section 339 shall not be applicable to any farm re-
10 ceiving an increased allotment under this subsection, and
11 the producers on such farm shall not be required to
12 comply with such provisions as a condition of eligibility
13 for price support."

14 (3) By repealing subsection (g) thereof and by
15 redesignating subsections (h) and (i) thereof as (g)
16 and (h) respectively.

17 (4) By amending subsection (i) thereof, redesign-
18 nated by this section as subsection (h), by inserting the
19 following sentence immediately following the seventh
20 sentence thereof: "The land-use provisions of section 339
21 shall not be applicable to any farm receiving an addi-
22 tional allotment under this subsection."

23 (5) By striking out of the last sentence of sub-
24 section (i) thereof (added by Public Law 87-357, 87th

1 Congress, 1st session), redesignated by this section as
 2 subsection (h), "or 1963".

3 SEC. 414. Part III of subtitle B of title III of the Agri-
 4 cultural Adjustment Act of 1938, as amended, is hereby
 5 amended by adding immediately after section 334 thereof
 6 the following:

7 "~~COMMERCIAL AREA~~ GEOGRAPHICAL APPLICABILITY

8 "SEC. 334a. If the acreage allotment for any State for
 9 any crop of wheat is twenty-five thousand acres or less, the
 10 Secretary, in order to promote efficient administration of this
 11 Act and the Agricultural Act of 1949, may designate such
 12 State as outside the commercial wheat-producing area for
 13 the marketing year for such crop. If such State is so desig-
 14 nated, acreage allotments for such crop and marketing quotas
 15 for the marketing year therefor shall not be applicable to any
 16 farm in such State. Acreage allotments in any State shall
 17 not be increased by reason of such designation. The national
 18 acreage allotment for any crop of wheat shall be apportioned
 19 by the Secretary among the States, counties, and farms in
 20 the commercial wheat-producing area on the basis of the
 21 provisions of section 334." *This part III shall be applicable*
 22 *to the continental United States excluding Alaska."*

23 SEC. 415. Section 335 of the Agricultural Adjustment
 24 Act of 1938, as amended, is hereby amended to read as
 25 follows:

1 "SMALL FARM EXEMPTION

2 "SEC. 335. Notwithstanding any other provision of this
3 part, no farm marketing quota for any crop of wheat shall
4 be applicable to any farm with a base of fifteen acres or less
5 (hereinafter called 'small-farm base acreage') if the acreage
6 of such crop of wheat *on the farm* does not exceed the small-
7 farm base acreage determined for the farm, unless the owner
8 or operator *of the farm* elects in writing on a form and within
9 the time prescribed by the Secretary to be subject to the
10 farm acreage allotment *and marketing quota*. For the pur-
11 poses of this section, the small-farm base acreage for a farm
12 shall be the average acreage of the crops of wheat planted
13 for harvest in the calendar years 1957, 1958, 1959, 1960,
14 and 1961, or such later ~~two-year~~ *five-year* period determined
15 by the Secretary to be representative, with adjustments for
16 abnormal weather conditions, established crop-rotation prac-
17 tices on the farm, and such other factors as the Secretary
18 determines should be considered for the purpose of establish-
19 ing a fair and equitable small-farm base acreage. *If the*
20 *owner or operator elects to be subject to the farm acreage*
21 *allotment and marketing quota the acreage allotment for the*
22 *farm shall be the larger of (i) the allotment otherwise deter-*
23 *mined for the farm, or (ii) the small-farm base acreage for*
24 *the farm established on the basis of the crops for the calendar*

1 *years 1957, 1958, 1959, 1960, and 1961, reduced by*
2 *the same percentage by which the national acreage allotment*
3 *for the crop is reduced below fifty-five million acres. If*
4 *the owner or operator of any such farm fails to make such*
5 *election with respect to any crop of wheat, (i) for the pur-*
6 *poses of Public Law 74, Seventy-seventh Congress (7 U.S.C.*
7 *1340), as amended, the farm acreage allotment for such*
8 *crop of wheat shall be deemed to be the larger of the acreage*
9 *allotment or the small-farm base acreage determined for the*
10 *farm, if the acreage of such crop exceeds such base acreage;*
11 *(ii) the land-use provisions of section 339 shall be inap-*
12 *plicable to the farm, (iii) such crop of wheat shall not be*
13 *eligible for price support, and (iv) wheat marketing certif-*
14 *icates applicable to such crop shall not be issued with respect*
15 *to the farm;— and (v) the producers of the farm shall not be*
16 *eligible to vote in any referendum held with respect to a*
17 *marketing quota program applicable to such crop of wheat.*
18 *The additional acreage required to provide acreage allotments*
19 *for farms based upon small-farm base acreages under this*
20 *section shall be in addition to National, State, and county*
21 *acreage allotments.*

22 SEC. 416. Section 336 of the Agricultural Adjustment
23 Act of 1938, as amended, is hereby amended to read as
24 follows:

“REFERENDUM

1
2 “SEC. 336. If a national marketing quota for wheat for
3 one, two, or three marketing years is proclaimed, the Secre-
4 tary shall, not later than sixty days after such proclamation
5 is published in the Federal Register, conduct a referendum,
6 by secret ballot, of farmers to determine whether they favor
7 or oppose marketing quotas for the marketing year or years
8 for which proclaimed. Any producer who has a farm acre-
9 age allotment shall be eligible to vote in any referendum
10 held pursuant to this section, except a producer who has a
11 small-farm base acreage for such crop of wheat and who
12 does not elect, pursuant to section 335, to be subject to the
13 farm marketing quota. The Secretary shall proclaim the re-
14 sults of any referendum held hereunder within thirty days
15 after the date of such referendum, and if the Secretary de-
16 termines that more than one-third of the farmers voting in
17 the referendum voted against marketing quotas, the Secre-
18 tary shall proclaim that marketing quotas will not be in effect
19 with respect to the crop of wheat produced for harvest in
20 the calendar year following the calendar year in which the
21 referendum is held. If the Secretary determines that two-
22 thirds or more of the farmers voting in a referendum approve
23 marketing quotas for a period of two or three marketing

1 years, no referendum shall be held for the subsequent year or
 2 years of such period.”

3 SEC. 417. Section 337 of the Agricultural Adjustment
 4 Act of 1938, as amended, is hereby amended by deleting
 5 the provisions thereof and substituting the following:

6 “SUBSTITUTION OF FEED GRAINS FOR WHEAT

7 “SEC. 337. Notwithstanding any other provision of law,
 8 the Secretary ~~may~~ *shall* permit producers of feed grains to
 9 have acreage devoted to the production of feed grains consid-
 10 ered as devoted to the production of wheat ~~to such extent and~~
 11 ~~subject to such terms and conditions as the Secretary deter-~~
 12 ~~mines will not impair the effective operation of this sub-~~
 13 ~~title B and the Secretary shall permit producers of wheat~~
 14 ~~to have acreage devoted to the production of wheat considered~~
 15 ~~as devoted to the production of feed grains, as the Secretary~~
 16 ~~determines will not adversely affect the operation of this~~
 17 ~~program.”~~

18 SEC. 418. The Agricultural Adjustment Act of 1938,
 19 as amended, is hereby amended by adding after section 338 a
 20 new section as follows:

21 “LAND USE

22 “SEC. 339. (a) (1) During any year in which market-
 23 ing quotas for wheat are in effect, the producers on any farm
 24 (except a new farm receiving an allotment from the reserve
 25 for new farms) on which any crop is produced on acreage

1 required to be diverted from the production of wheat shall
2 be subject to a penalty on such crop, in addition to any
3 marketing quota penalty applicable to such crops, as pro-
4 vided in this subsection unless (i) the crop is designated by
5 the Secretary as one which is not in surplus supply and will
6 not be in surplus supply if it is permitted to be grown on the
7 diverted acreage, or as one the production of which will not
8 substantially impair the purpose of the requirements of this
9 section, or (2) no wheat is produced on the farm, and the
10 producers have not filed an agreement or a statement of
11 intention to participate in the payment program formulated
12 pursuant to subsection (b) of this section. The acreage
13 required to be diverted from the production of wheat on the
14 farm shall be an acreage of cropland equal to the number
15 of acres determined by multiplying the farm acreage allot-
16 ment by the diversion factor determined by dividing the
17 number of acres by which the national acreage allotment is
18 reduced below fifty-five million acres by the number of acres
19 in the national acreage allotment. The actual production of
20 any crop subject to penalty under this subsection shall be
21 regarded as available for marketing and the penalty on such
22 crop shall be computed on the actual acreage of such crop
23 at the rate of 65 per centum of the parity price per bushel
24 of wheat as of May 1 of the calendar year in which such
25 crop is harvested, multiplied by the normal yield of wheat

1 per acre established for the farm. Until the producers on
2 any farm pay the penalty on such crop, the entire crop of
3 wheat produced on the farm and any subsequent crop of
4 wheat subject to marketing quotas in which the producer
5 has an interest shall be subject to a lien in favor of the United
6 States for the amount of the penalty. Each producer having
7 an interest in the crop or crops on acreage diverted or
8 required to be diverted from the production of wheat shall
9 be jointly and severally liable for the entire amount of the
10 penalty. The persons liable for the payment or collection of
11 the penalty under this section shall be liable also for interest
12 thereon at the rate of 6 per centum per annum from the date
13 the penalty becomes due until the date of payment of such
14 penalty.

15 “(2) The Secretary may require that the acreage on
16 any farm diverted from the production of wheat be land
17 which was diverted from the production of wheat in the
18 previous year, to the extent he determines that such require-
19 ment is necessary to effectuate the purposes of this subtitle.

20 “(3) The Secretary may permit the diverted acreage
21 to be grazed in accordance with regulations prescribed by
22 the Secretary.

23 “(b) The Secretary is authorized to formulate and carry
24 out a program with respect to the 1963, 1964, and 1965
25 crops of wheat under which, subject to such terms and con-

1 ditions as he determines are desirable to effectuate the pur-
2 poses of this section, payments ~~may~~ *shall* be made in amounts
3 *not in excess of 50 per centum of the estimated base county*
4 *support rate on the estimated normal production of the acreage*
5 *diverted, taking into account the income objectives of the Act,*
6 determined by the Secretary to be fair and reasonable with
7 respect to acreage diverted pursuant to subsection (a) of this
8 section. The Secretary may permit producers on any farm
9 to divert from the production of wheat an acreage, in addi-
10 tion to the acreage diverted pursuant to subsection (a),
11 equal to 20 per centum of the farm acreage allotment for
12 wheat: *Provided*, That the producers on any farm may, at
13 their election, divert such acreage in addition to the acreage
14 diverted pursuant to subsection (a), as will bring the total
15 acreage diverted on the farm to fifteen acres. Such program
16 shall require (1) that the diverted acreage shall be devoted to
17 conservation uses approved by the Secretary; (2) that the
18 total acreage of cropland on the farm devoted to soil-
19 conserving uses, including summer fallow and idle land but
20 excluding the acreage diverted as provided above, and acre-
21 age diverted under the land-use provisions for feed grains
22 pursuant to section 360j, shall be not less than the total
23 average acreage of cropland devoted to soil-conserving uses
24 including summer fallow and idle land on the farm during
25 a representative period, as determined by the Secretary,

1 adjusted to the extent the Secretary determines appropriate
2 for (i) abnormal weather conditions or other factors affecting
3 production, (ii) established crop-rotation practices on the
4 farm, (ii) participation in other Federal farm programs,
5 (iv) unusually high percentage of land on the farm devoted
6 to conserving uses, and (v) other factors which the Secre-
7 tary determines should be considered for the purpose of
8 establishing a fair and equitable soil-conserving acreage for
9 the farm; and (3) that the producer shall not knowingly
10 exceed (i) any farm acreage allotment in effect for any
11 commodity produced on the farm, and (ii) except as the
12 Secretary may by regulations prescribe, with the farm acre-
13 age allotments on any other farm for any crop in which the
14 producer has a share: *Provided*, That no producer shall be
15 deemed to have exceeded a farm acreage allotment for wheat
16 if the entire amount of the farm marketing excess is delivered
17 to the Secretary or stored in accordance with applicable
18 regulations to avoid or postpone payment of the penalty.
19 The producers on a new farm shall not be eligible for pay-
20 ments hereunder. The Secretary shall provide for the
21 ~~sharing of payment among producers on the farm on a fair~~
22 ~~and equitable basis.~~ Payments may be made in cash or in
23 wheat. *The Secretary shall provide for the sharing of pay-*
24 *ment among producers on the farm on a fair and equitable*

1 basis. The following factors shall be given consideration in
2 arriving at the division of payment:

3 “(1) The basis on which producers would have
4 shared in the production of wheat had wheat been pro-
5 duced on the diverted acreage;

6 “(2) The savings or benefits accruing to each pro-
7 ducer on the diverted acreage;

8 “(3) The respective contribution of each producer to
9 the establishment and maintenance of the conservation use
10 on the acreage designated as diverted from production;
11 and

12 “(4) The respective relationship of the diverted acre-
13 age and increased conservation acreage to the various
14 ownership tracts comprising a farm.

15 “(c) The Secretary may provide for adjusting any pay-
16 ment on account of failure to comply with the terms and
17 conditions of the land-use program formulated under sub-
18 section (b) of this section. Where a producer is not entitled
19 to receive full payment under the program formulated under
20 subsection (b) of this section because of unintentional failure
21 to comply with the terms and conditions of the program, the
22 Secretary is authorized to make partial payment to the pro-
23 ducer proportionate to the performance rendered.

1 “(d) Not to exceed 50 per centum of any payment to
2 producers under subsection (b) of this section may be made
3 in advance of determination of performance.

4 “(e) *If the Secretary permits the diverted acreage to be*
5 *grazed, no payment shall be made for the acreage which is*
6 *grazed, except that if grazing is permitted in order to alleviate*
7 *hardship or suffering caused by drought, flood, or other*
8 *natural disaster, payment may be made for the acreage grazed*
9 *at not to exceed one-half the rate otherwise payable.*

10 “~~(e)~~ (f) The program formulated pursuant to subsection
11 (b) of this section may include such terms and conditions,
12 in addition to those specifically provided for herein, as the
13 Secretary determines are desirable to effectuate the purposes
14 of this section.

15 “~~(f)~~ (g) The Secretary is authorized to promulgate such
16 regulations as may be desirable to carry out the provisions of
17 this section.

18 “~~(g)~~ (h) The Commodity Credit Corporation is author-
19 ized to utilize its capital funds and other assets for the purpose
20 of making the payments authorized in this section and to pay
21 administrative expenses necessary in carrying out this sec-
22 tion during the period ending June 30, 1963. There is
23 authorized to be appropriated such amounts as may be
24 necessary thereafter to pay such administrative expenses.

25 “~~(h)~~ (i) Notwithstanding any other provision of law,

1 performance rendered in good faith in reliance upon action or
2 advice of an authorized representative of the Secretary may
3 be accepted as meeting the requirements of this section, or of
4 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
5 298), and payment may be made therefor in accordance with
6 such action or advice to the extent the Secretary deems it
7 desirable in order to provide fair and equitable treatment.”

8 SEC. 419. Public Law 74, Seventy-seventh Congress (7
9 U.S.C. 1340), as amended, is hereby amended as follows:

10 (1) By amending paragraph (1) to read as fol-
11 lows:

12 “(1) The farm marketing quota for any crop of
13 wheat shall be the actual production of the acreage
14 planted to such crop of wheat on the farm less the farm
15 marketing excess. The farm marketing excess shall be
16 an amount equal to twice the normal yield of wheat per
17 acre established for the farm multiplied by the number
18 of acres of such crop of wheat on the farm in excess of
19 the farm acreage allotment for such crop unless the pro-
20 ducer, in accordance with regulations issued by the Sec-
21 retary and within the time prescribed therein, establishes
22 to the satisfaction of the Secretary, the actual production
23 of such crop of wheat on the farm. If such actual pro-
24 duction is so established, the farm marketing excess shall
25 be an amount equal to the actual production of the num-

1 ber of acres of wheat on the farm in excess of the farm
2 acreage allotment for such crop. In determining the
3 farm marketing quota and farm marketing excess, (1)
4 any acreage of wheat remaining after the date prescribed
5 by the Secretary for the disposal of excess acres of wheat
6 shall be included as acreage of wheat on the farm, and
7 the production thereof shall be appraised in such manner
8 as the Secretary determines will provide a reasonably
9 accurate estimate of such production, and (2) any acre-
10 age of any crop of wheat classified as feed grain acreage
11 pursuant to section 360i of ~~this Act~~ *the Agricultural*
12 *Adjustment Act of 1938, as amended*, shall not be con-
13 sidered to be acreage planted to wheat. Any acreage of
14 wheat disposed of in accordance with regulations issued
15 by the Secretary prior to such date as may be pre-
16 scribed by the Secretary shall be excluded in determin-
17 ing the farm marketing quota and farm marketing excess.
18 Self-seeded (volunteer) wheat shall be included in de-
19 termining the acreage of wheat. Marketing quotas for
20 any marketing year shall be in effect with respect to
21 wheat harvested in the calendar year in which such mar-
22 keting year begins notwithstanding that the wheat is
23 marketed prior to the beginning of such marketing
24 year."

(2) By amending paragraph (2) to read as follows:

“(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.”

(3) By inserting in paragraph (3) “twice” before “the normal production” in the first and second sentences thereof, and by inserting in the second sentence thereof “twice the” between “of” and “normal” in the phrase “upon the basis of normal production”.

(4) By amending paragraph (4) to read as follows:

“(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of

1 wheat produced on the farm and any subsequent crop of
2 wheat subject to marketing quotas in which the producer
3 has an interest shall be subject to a lien in favor of the
4 United States for the amount of the penalty."

5 (5) By striking out "corn or" from paragraph (5).

6 (6) By striking out "corn or" from paragraph (6).

7 (7) By repealing paragraph (7), and by renum-
8 bering paragraphs (8) through (11) as (7) through
9 (10), respectively.

10 (8) By striking out "corn or" and "as the case
11 may be" from paragraph (8), redesignated by this
12 section as paragraph (7), and adding at the end of
13 such paragraph the following sentence:

14 "If the buyer fails to collect such penalty, such
15 buyer and all persons entitled to share in the wheat
16 marketed from the farm or the proceeds thereof shall
17 be jointly and severally liable for such penalty."

18 (9) By repealing paragraph (12), and by adding
19 the following new paragraphs to follow paragraph (11),
20 redesignated by this section as paragraph (10):

21 "(11) The persons liable for the payment or col-
22 lection of the penalty on any amount of wheat shall
23 be liable also for interest thereon at the rate of 6 per
24 centum per annum from the date the penalty becomes
25 due until the date of payment of such penalty.

1 “(12) If marketing quotas for wheat are not in
2 effect for any marketing year, all previous marketing
3 quotas applicable to wheat shall be terminated, effective
4 as of the first day of such marketing year. Such termi-
5 nation shall not abate any penalty previously incurred
6 by a producer or relieve any buyer of the duty to remit
7 penalties previously collected by him.”

8 SEC. 420. Section 371 of the Agricultural Adjustment
9 Act of 1938, as amended, is hereby amended as follows:

10 (1) Subsection (a) is amended by deleting “corn,
11 wheat,” in the first sentence thereof.

12 (2) The first sentence of subsection (b) is amended
13 by striking out “any national acreage allotment for corn
14 or”, “wheat,” and “in order to effect the declared policy
15 of this Act”.

16 SEC. 421. Section 385 of the Agricultural Adjustment
17 Act of 1938, as amended, is hereby amended by inserting in
18 the first sentence after “parity payment,” the following:
19 “payment under section 339,”.

20 SEC. 422. The amendments to the Agricultural Adjust-
21 ment Act of 1938, as amended, *and to Public Law 74, Sev-*
22 *enty-seventh Congress, as amended,* made by sections 410
23 through 421 of this Act shall be in effect only with respect to
24 programs applicable to the crops planted for harvest in the
25 calendar year 1963 or any subsequent year and the market-

1 ing years beginning in the calendar year 1963 or any sub-
2 sequent year.

3 WHEAT MARKETING ALLOCATION PROGRAM

4 SEC. 423. Title III of the Agricultural Adjustment Act
5 of 1938, as amended, is hereby amended (1) by designating
6 subtitles D and E as subtitles E and F, respectively, and (2)
7 by inserting after subtitle C a new subtitle D as follows:

8 "SUBTITLE D—WHEAT MARKETING ALLOCATION

9 "LEGISLATIVE FINDINGS

10 "SEC. 379a. Wheat, in addition to being a basic food,
11 is one of the great export crops of American agriculture and
12 its production for domestic consumption and for export is
13 necessary to the maintenance of a sound national economy
14 and to the general welfare. The movement of wheat from
15 producer to consumer, in the form of the commodity or any
16 of the products thereof, is preponderantly in interstate and
17 foreign commerce. Unreasonably low prices of wheat to
18 producers impair their purchasing power for nonagricultural
19 products and place them in a position of serious disparity
20 with other industrial groups. The conditions affecting the
21 production of wheat are such that without Federal assist-
22 ance, producers cannot effectively prevent disastrously low
23 prices for wheat. It is necessary, in order to assist wheat
24 producers in obtaining fair prices, to regulate the price of

1 wheat used for domestic food and for exports in the manner
2 provided in this subtitle.

3 "WHEAT MARKETING ALLOCATION

4 "SEC. 379b. During any marketing year for which a
5 marketing quota is in effect for wheat, beginning with the
6 marketing year for the 1963 crop, a wheat marketing allo-
7 cation program shall be in effect as provided in this subtitle.
8 Whenever a wheat marketing allocation program is in effect
9 for any marketing year the Secretary shall determine (1)
10 ~~the domestic component of the wheat marketing allocation~~
11 ~~which shall be the amount of wheat which will be used dur-~~
12 ~~ing the marketing year for human consumption in the United~~
13 ~~States, less such portion not to exceed 50 per centum as the~~
14 ~~Secretary determines of the amount established pursuant to~~
15 ~~section 332 of this Act to be the desirable reduction during~~
16 ~~such marketing year in stocks of wheat owned by Commod-~~
17 ~~ity Credit Corporation, and (2) the export component of~~
18 ~~the wheat marketing allocation which shall be the portion of~~
19 ~~exports during the marketing year and exports on which~~
20 ~~marketing certificates shall be issued to producers in order~~
21 ~~to achieve, insofar as practicable, the price and income~~
22 ~~objectives of this subtitle, and (3) (2) the national allocation~~
23 ~~percentage which shall be the percentage which the national~~
24 ~~marketing allocation (the sum of the domestic component~~

1 ~~and the export component~~) is of the estimated production of
 2 wheat during the calendar year in which such marketing
 3 year begins. Each farm shall receive a wheat marketing al-
 4 location for such marketing year equal to the number of
 5 bushels obtained by multiplying the number of acres in the
 6 farm acreage allotment for wheat by the estimated yield of
 7 wheat for the farm as determined by the Secretary, and
 8 multiplying the resulting number of bushels by the national
 9 allocation percentage. If a ~~nonecommercial wheat-producing~~
 10 ~~area~~ is established for any marketing year, farms in such
 11 ~~area~~ shall be given wheat marketing allocations which are
 12 determined by the Secretary to be fair and reasonable in
 13 relation to the ~~wheat marketing allocation given producers in~~
 14 ~~the commercial wheat-producing area.~~

15 "MARKETING CERTIFICATES

16 "SEC. 379c. (a) The Secretary shall provide for the is-
 17 suance of wheat marketing certificates for each marketing
 18 year for which a wheat marketing allocation program is in
 19 effect for the purpose of enabling producers on any farm with
 20 respect to which certificates are issued to receive, in addition
 21 to the other proceeds from the sale of wheat, an amount equal
 22 to the value of such certificates. The wheat marketing cer-
 23 tificates issued with respect to any farm for any marketing
 24 year shall be in the amount of the farm wheat marketing
 25 allocation for such year, but not to exceed (i) the actual

1 acreage of wheat planted on the farm for harvest in the
2 calendar year in which the marketing year begins multiplied
3 by the estimated yield of wheat for the farm, plus (ii) the
4 amount of wheat stored to avoid or postpone a marketing
5 quota penalty, which is released from storage during the
6 marketing year on account of underplanting or underproduc-
7 tion. ~~The marketing certificates issued with respect to any~~
8 ~~farm shall be divided between export certificates and domes-~~
9 ~~tie certificates in the same proportion as the national wheat~~
10 ~~marketing allocation is divided between the domestic com-~~
11 ~~ponent and the export component of such allocation.~~ The
12 Secretary shall provide for the sharing of wheat marketing
13 certificates among producers on the farm on the basis of their
14 respective shares in the wheat crop produced on the farm,
15 or the proceeds therefrom.

16 “(b) No producer shall be eligible to receive wheat
17 marketing certificates with respect to any farm for any
18 marketing year in which a marketing quota penalty is
19 assessed for any commodity on such farm or in which the
20 farm has not complied with the land-use requirements of
21 section 339 to the extent prescribed by the Secretary, or in
22 which, except as the Secretary may by regulation prescribe,
23 the producer exceeds the farm acreage allotment on any
24 other farm for any commodity in which he has an interest
25 as a producer. No producer shall be deemed to have ex-

1 ceded a farm acreage allotment for wheat if the entire
 2 amount of the farm marketing excess is delivered to the
 3 Secretary or stored in accordance with applicable regulations
 4 to avoid or postpone payment of the penalty.

5 “(c) Whenever a wheat marketing allocation program
 6 is in effect for any marketing year, the Secretary shall
 7 determine and proclaim for such marketing year the face
 8 value per bushel of ~~domestic~~ marketing certificates and the
 9 ~~face value per bushel of export marketing certificates.~~ The
 10 face value per bushel of ~~domestic marketing~~ certificates shall
 11 be equal to the amount by which the level of price support
 12 for wheat accompanied by ~~domestic~~ certificates exceeds the
 13 level of price support for wheat not accompanied by certifi-
 14 cates (noncertificate wheat). ~~The face value per bushel of~~
 15 ~~the export certificates shall be equal to the amount by which~~
 16 ~~the level of price support for wheat accompanied by export~~
 17 ~~certificates exceeds the level of price support for nonecertifi-~~
 18 ~~cate wheat.~~

19 “(d) Marketing certificates and transfers thereof shall
 20 be represented by such documents, marketing cards, records,
 21 accounts, certifications, or other statements or forms as the
 22 Secretary may prescribe.

23 “MARKETING RESTRICTIONS

24 “SEC. 379d. (a) All persons are prohibited from acquir-
 25 ing marketing certificates from the producer to whom such

1 certificates are issued, unless such certificates are acquired in
2 connection with the acquisition from such producer of a num-
3 ber of bushels of wheat equivalent to the marketing certifi-
4 cates. Marketing certificates shall be transferable only in
5 accordance with regulations prescribed by the Secretary.
6 Any unused certificates held by persons other than the pro-
7 ducer to whom such certificates are issued shall be purchased
8 by Commodity Credit Corporation. Notwithstanding the
9 foregoing provisions of this section, Commodity Credit Cor-
10 poration is authorized to purchase from producers certificates
11 not accompanied by wheat in cases where the Secretary
12 determines that it would constitute an undue hardship to
13 require the producer to transfer his certificates only in con-
14 nection with the disposition of wheat.

15 “(b) During any marketing year for which a wheat
16 marketing allocation program is in effect, (i) all persons
17 engaged in the processing of wheat into food products com-
18 posed wholly or partly of wheat shall, prior to marketing
19 any such product for human food in the United States, ac-
20 quire ~~domestic~~ marketing certificates equivalent to the num-
21 ber of bushels of wheat contained in such product, and (ii)
22 ~~each person~~ *all persons* exporting wheat or food products
23 composed wholly or partly of wheat shall prior to such export
24 acquire ~~export~~ marketing certificates equivalent to the number
25 of bushels so exported. ~~If the Secretary determines that such~~

1 requirement is desirable for the effective administration of
2 this subsection, he may require domestic certificates to be
3 acquired on all first sales of food products composed wholly
4 or partly of wheat including sales for export, but upon the
5 exportation from the United States of any such food prod-
6 uct, Commodity Credit Corporation shall pay to the ex-
7 porter an amount equal to the difference between the face
8 value of domestic certificates and export certificates for the
9 quantity of food products so exported. Marketing certifi-
10 cates shall be valid to cover only sales or exportations made
11 during the marketing year with respect to which they are
12 issued, and after being once used to cover a sale or export of
13 a food product or an export of wheat shall be void and shall
14 be disposed of in accordance with regulations prescribed by
15 the Secretary.

16 “(c) Upon the giving of a bond or other undertaking
17 satisfactory to the Secretary, and subject to such regulations
18 as he may prescribe, to secure the purchase of and payment
19 for such marketing certificates as may be required, any per-
20 son required to have marketing certificates in order to mar-
21 ket or export a commodity may market any such commodity
22 without having first acquired marketing certificates.

23 “(d) As used in this subtitle, the term ‘food products’
24 means any product to be used for human consumption, in-
25 cluding beverage.

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING
CERTIFICATES

3 “SEC. 379e. For the purpose of facilitating the purchase
4 and sale of marketing certificates, the Commodity Credit
5 Corporation is authorized to issue, buy, and sell marketing
6 certificates in accordance with regulations prescribed by the
7 Secretary. Such regulations may authorize the Corporation
8 to issue and sell certificates in excess of the quantity of cer-
9 tificates which it purchases and in the purchase and sale of
10 marketing certificates to make such discounts and charge
11 such premiums not exceeding 5 per centum of the face
12 value of the certificate as the Secretary shall determine
13 necessary to encourage the purchase and sale of such certif-
14 icates through commercial channels.

"CONVERSION FACTORS

16 “SEC. 379f. The Secretary shall establish conversion
17 factors which shall be used to determine the amount of wheat
18 contained in any food product. The conversion factor for
19 any such food product shall be determined upon the basis of
20 the weight of wheat used in the manufacture of such product.

“AUTHORITY TO FACILITATE TRANSITION

22 “SEC. 379g. The Secretary is authorized to take such
23 action as he determines to be necessary to facilitate the tran-
24 sition from the program currently in effect to the program
25 provided for in this subtitle. Notwithstanding any other pro-

1 vision of this subtitle, such authority shall include, but shall
2 not be limited to, the authority to exempt all or a portion of
3 the wheat or food products made therefrom in the channels of
4 trade on the effective date of the program under this subtitle
5 from the marketing restrictions in subsection (b) of section
6 379d, or to sell certificates to persons owning such wheat or
7 food products at such prices as the Secretary may determine.
8 Any such certificate shall be issued by Commodity Credit
9 Corporation.

10 "REPORTS AND RECORDS

11 "SEC. 379h. This section shall apply to warehousemen,
12 processors, common carriers, and other handlers of wheat and
13 food products containing wheat, all persons engaged in the
14 business of purchasing, selling, exporting, or transporting
15 wheat or food products containing wheat, and all persons
16 purchasing, selling, or otherwise dealing in wheat marketing
17 certificates. Any such person shall, from time to time on
18 request of the Secretary, report to the Secretary such in-
19 formation and keep such records as the Secretary finds to be
20 necessary to enable him to carry out the provisions of this
21 subtitle. Such information shall be reported and such records
22 shall be kept in such manner as the Secretary shall prescribe.
23 For the purpose of ascertaining the correctness of any report
24 made or record kept, or of obtaining information required to
25 be furnished in any report, but not so furnished, the Secretary

1 is hereby authorized to examine such books, papers, records,
2 accounts, correspondence, contracts, documents, and memo-
3 randums as he has reason to believe are relevant and are
4 within the control of such person.

5 "PENALTIES

6 "SEC. 379i. (a) Any person who violates or attempts
7 to violate or who participates or aids in the violation of any
8 of the provisions of subsection (b) of section 379d of this
9 Act shall forfeit to the United States a sum equal to two
10 times the face value of the marketing certificates involved in
11 such violation. Such forfeiture shall be recoverable in a
12 civil action brought in the name of the United States.

13 ~~"(b) Any person who violates or attempts to violate~~
14 ~~or who participates or aids in the violation of any provision~~
15 ~~of this subtitle, or of any regulation, governing the acqui-~~
16 ~~sition, disposition, or handling of marketing certificates shall~~
17 ~~be deemed guilty of a misdemeanor and upon conviction~~
18 ~~thereof shall be subject to a fine of not more than \$5,000~~
19 ~~for each violation.~~

20 ~~"(c) Any person failing to make any report or keep~~
21 ~~any record as required by section 379h shall be deemed~~
22 ~~guilty of a misdemeanor and upon conviction thereof shall~~
23 ~~be subject to a fine of not more than \$5,000 for each~~
24 ~~violation.~~

25 *"(b) Any person, except a producer who is subject to*

1 subsection (c) of this section, who violates or attempts to vio-
2 late or who participates or aids in the violation of any pro-
3 vision of this subtitle, or of any regulation, governing the
4 acquisition, disposition, or handling of marketing certificates
5 or who fails to make any report or keep any record as re-
6 quired by section 379h shall be deemed guilty of a misde-
7 meanor and upon conviction thereof shall be subject to a fine
8 of not more than \$5,000 for each violation.

9 “(c) Any person who, in his capacity as a producer,
10 knowingly violates or attempts to violate or who participates
11 or aids in the violation of any provision of this subtitle, or of
12 any regulation, governing the acquisition, disposition, or
13 handling of marketing certificates or fails to make any report
14 or keep any record as required by section 379h shall, (i) for-
15 feit any right to receive marketing certificates, in whole or in
16 part as the Secretary may determine, with respect to the farm
17 or farms and for the marketing year with respect to which
18 any such act or default is committed, or (ii), if such market-
19 ing certificates have already been issued, pay to the Secretary,
20 upon demand, the amount of the face value of such certificates,
21 or such part thereof as the Secretary may determine. Such
22 determination by the Secretary with respect to the amount of
23 such marketing certificates to be forfeited or the amount to be
24 paid by such producer shall take into consideration the cir-

1 *cumstances relating to the act or default committed and the*
 2 *seriousness of such act or default.*

3 “(d) Any person who falsely makes, issues, alters,
 4 forges, or counterfeits any marketing certificate, or with
 5 fraudulent intent possesses, transfers, or uses any such falsely
 6 made, issued, altered, forged, or counterfeited marketing cer-
 7 tificate, shall be deemed guilty of a felony and upon con-
 8 viction thereof shall be subject to a fine of not more than
 9 \$10,000 or imprisonment of not more than ten years, or
 10 both.

11 “REGULATIONS

12 “SEC. 379j. The Secretary shall prescribe such regula-
 13 tions as may be necessary to carry out the provisions of this
 14 subtitle including but not limited to regulations governing
 15 the acquisition, disposition, or handling of marketing cer-
 16 tificates.”

17 SEC. 424. The Agricultural Act of 1949, as amended,
 18 is amended as follows:

19 (1) By inserting after section 106 the following new
 20 section:

21 “SEC. 107. Notwithstanding the provisions of section
 22 101 of this Act, beginning with the 1963 crop—

23 “(1) price support for wheat accompanied by do-
 24 mestic marketing certificates shall be at such level not

1 less than 75 per centum or more than 90 per centum of
 2 the parity price therefor as the Secretary determines
 3 appropriate taking into consideration the factors specified
 4 in section 401 (b),

5 “~~(2)~~ price support for wheat accompanied by ex-
 6 port marketing certificates shall be at such level not
 7 more than 90 per centum of the parity price therefor as
 8 the Secretary determines appropriate taking into con-
 9 sideration the factors specified in section 401(b),

10 “~~(3)~~ (2) price support for wheat not accompanied
 11 by marketing certificates shall be at such level as the
 12 Secretary determines appropriate taking into considera-
 13 tion competitive world prices of wheat, the feeding value
 14 of wheat in relation to feed grains, and the level at which
 15 price support is made available for feed grains,

16 “~~(4)~~ (3) if marketing quotas are in effect for the
 17 crop of wheat, ~~(i)~~ price support shall be made available
 18 only to cooperators; and ~~(ii)~~ if a commercial wheat-
 19 producing area is established for such crop, price sup-
 20 port shall be made available only in the commercial
 21 wheat-producing area;

22 “~~(5)~~ (4) no price support shall be made available
 23 for any crop of wheat for which marketing quotas are
 24 not in effect because of disapproval of quotas by pro-
 25 ducers,

1 “(6) (5) the level of price support for any crop of
2 wheat for which a national marketing quota is not pro-
3 claimed shall be as provided in section 101, and

4 “(7) (6) a ‘cooperator’ with respect to any crop of
5 wheat produced on a farm shall be a producer who (i)
6 does not knowingly exceed (A) the farm acreage al-
7 lotment for wheat or any other commodity on the farm
8 or (B) except as the Secretary may by regulation pre-
9 scribe, the farm acreage allotment on any other farm
10 for any commodity in which he has an interest as a pro-
11 ducer, and (ii) complies with the land-use requirements
12 of section 339 of the Agricultural Adjustment Act of
13 1938, as amended, to the extent prescribed by the Sec-
14 retary. No producer shall be deemed to have exceeded
15 a farm acreage allotment for wheat if the entire amount
16 of the farm marketing excess is delivered to the Secre-
17 tary or stored in accordance with applicable regulations
18 to avoid or postpone payment of the penalty, but the
19 producer shall not be eligible to receive price support on
20 such marketing excess.”

21 (2) By changing the period at the end of the
22 third sentence in section 407 to a colon and adding the
23 following: “*Provided*, That if a ~~commercial~~ wheat mar-
24 keting allocation program is in effect, the current support

- 1 price for wheat shall be the support price for wheat ac-
- 2 companied by a domestic certificate and wheat sold shall
- 3 be accompanied by a domestic certificate."

○

COMMITTEE PRINT NO. 41

March 29, 1962

AGRICULTURAL TRADE DEVELOPMENT

(As approved by the Foreign Agricultural Subcommittee
March 27, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title II of the Agricultural Trade Develop-
ment and Assistance Act of 1954, as amended, is further
amended as follows:

(1) Section 201 is amended by striking out the
words "out of its stocks".

(2) Section 202 is amended by striking out "from
Commodity Credit Corporation stocks" and substituting
"(as defined in section 106 of title I) made available by
Commodity Credit Corporation".

1 SEC. ~~202~~ 201. Title IV of the Agricultural Trade De-
2 velopment and Assistance Act of 1954, as amended, is further
3 amended as follows:

4 (1) Section 401 is amended by adding at the end
5 thereof the following new sentence: "It is also the pur-
6 pose of this title to stimulate and increase the sale of
7 surplus agricultural commodities for dollars through
8 long-term supply agreements and through the extension
9 of credit for the purchase of such commodities, by agree-
10 ments either with foreign nations or with the private
11 trade, thereby assisting the development of the econ-
12 omies of friendly nations and maximizing dollar
13 trade: ~~Provided, That agreements with the private trade~~
14 shall be limited to the purchase of commodities for use in
15 underdeveloped countries."

16 (2) Section 402 is amended—

17 (a) by inserting the words "including financial
18 institutions acting in behalf of such nations" after
19 the words "friendly nations"; and

20 (b) by adding at the end thereof the follow-
21 ing new sentence: "In furtherance of the purpose of
22 maximizing dollar sales through the private trade,
23 the Secretary of Agriculture is authorized to enter
24 into sales agreements with foreign and United States
25 private trade under which he shall undertake to pro-

vide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title.”

(3) Section 403 is amended—

(a) by deleting the words “approximately equal” from the last sentence thereof and substituting therefor the word “reasonable”; and

(b) by inserting after the word “agreement” in the last sentence thereof the following: “except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;”

(4) Section 405 is amended to read as follows:

~~“In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States.”~~ *“In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.”*

1 (5) Section 406 is amended by inserting after the
2 word "Sections" the following: "101 (b) and (c)".

3 ~~SEC. 203.~~ A new title V is added at the end of the Agri-
4 cultural Trade Development and Assistance Act of 1954, as
5 amended, as follows:

6 ~~"TITLE V—MULTILATERAL FOOD PROGRAM~~

7 ~~"SEC. 501.~~ The purpose of this title is to utilize surplus
8 agricultural commodities produced in the United States in
9 programs of economic development, emergency assistance,
10 and special feeding carried out through the United Nations
11 system or other intergovernmental organizations.

12 ~~"SEC. 502.~~ In furtherance of the foregoing purpose, the
13 President is authorized to negotiate and carry out agreements
14 with such intergovernmental organizations to provide for
15 the transfer on a grant basis of surplus agricultural com-
16 modities from stocks of the Commodity Credit Corporation
17 or from private stocks procured by the Corporation for the
18 purposes of this title, to such organizations for use in pro-
19 grams of economic development, emergency assistance, and
20 special feeding.

21 ~~"SEC. 503.~~ In entering into such agreements the Pres-
22 ident shall secure commitments from such international
23 organizations that reasonable precautions will be taken to
24 assure that agricultural commodities utilized in the program

1 shall not displace or interfere with sales of agricultural com-
2 modities produced in the United States.

3 "SEC. 504. For the purpose of carrying out agreements
4 entered into by the President under this title, Commodity
5 Credit Corporation is authorized to make available surplus
6 agricultural commodities either from its stocks or by procure-
7 ment from private stocks, and to pay with respect to com-
8 modities made available hereunder, in addition to the cost
9 of procurement of commodities from private stocks, the cost
10 of processing, packaging, transportation, handling, and other
11 charges up to the time of their delivery free alongside ship
12 or free on board export carrier at point of export: *Provided,*
13 That after June 30, 1963, the Commodity Credit Corpora-
14 tion shall not incur any costs in carrying out this title unless
15 the Corporation has received funds to cover such costs from
16 appropriations made to carry out the purposes of this title.

17 "SEC. 505. There are hereby authorized to be appro-
18 priated such sums as may be necessary to carry out the pur-
19 poses of this title, and such amounts as may be necessary to
20 reimburse the Commodity Credit Corporation for all costs
21 incurred by it hereunder including the Corporation's invest-
22 ment in commodities made available from its stocks."

[COMMITTEE PRINT NO. 5]

March 29, 1962

MARKETING QUOTAS—FEED GRAINS

(As approved by the Livestock and Feed Grains Subcommittee,
March 23, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE A—FEED GRAINS

3 SEC. 401. Subtitle B of title III of the Agricultural
4 Adjustment Act of 1938, as amended, is further amended by
5 inserting after part VI a new part VII as follows:

6 “PART VII—MARKETING QUOTAS—FEED GRAINS

7 “LEGISLATIVE FINDINGS

8 “SEC. 360. The production of feed grains is a vital
9 part of the agricultural economy of the United States. Feed
10 grains move almost wholly in interstate and foreign com-
11 merce in the form of grains, livestock, and livestock products.

1 “Abnormally excessive and abnormally deficient sup-
2 plies of feed grains on the national market acutely and
3 directly burden, obstruct, and affect interstate and foreign
4 commerce. When the available supply of feed grains is
5 excessive, the prices of feed grains are unreasonably low and
6 farmers overexpand livestock production to find outlets for
7 feed grains. Excessive supplies of feed grains cause the
8 marketing of excessive supplies of livestock in interstate and
9 foreign commerce at sacrificial prices, endanger the financial
10 stability of producers, and overtax the handling, processing,
11 and transportation facilities through which the flow of inter-
12 state and foreign commerce in feed grains, livestock, and
13 livestock products is directed. Deficient supplies of feed
14 grains result in substantial decreases in livestock production
15 and in an inadequate flow of livestock and livestock products
16 in interstate and foreign commerce, with the consequence of
17 unreasonably high prices to consumers and loss of markets
18 for producers.

19 “The principal grains used for livestock feed are corn,
20 barley, grain sorghums, and oats. Although certain feed
21 grains are better suited for production in some areas than
22 other feed grains, in general, one of several feed grains can
23 be grown on the same land. A marketing program which
24 provides for a single quota applicable to feed grains and
25 which permits producers to determine, within the quota,

1 which feed grains they shall produce will tend to effectuate
2 the policy of the Act and will permit producers the maximum
3 amount of freedom of choice consistent with the attainment
4 of the policy of the Act.

5 “The conditions affecting the production and marketing
6 of feed grains are such that, without Federal assistance,
7 farmers, individually or in cooperation, cannot effectively
8 provide for a balanced supply of feed grains and the orderly
9 marketing of feed grains in interstate and foreign commerce
10 at prices which are fair and reasonable to farmers and
11 consumers.

12 “The national public interest and general welfare require
13 that the burdens on interstate and foreign commerce above
14 described be removed by the exercise of Federal power.
15 Feed grains which do not move in the form of feed grains
16 outside of the State where they are produced are so closely
17 and substantially related to feed grains which move in the
18 form of feed grains outside of the State where they are pro-
19 duced, and have such a close and substantial relation to the
20 volume and price of livestock and livestock products in inter-
21 state and foreign commerce, that it is necessary to regulate
22 feed grains which do not move outside of the State where
23 they are produced to the extent set forth in this Act.

24 “The diversion of substantial acreages from feed grains
25 to the production of commodities which are in surplus supply

1 or which will be in surplus supply if they are permitted to be
2 grown on the diverted acreage would burden, obstruct, and
3 adversely affect interstate and foreign commerce in such
4 commodities, and would adversely affect the prices of such
5 commodities in interstate and foreign commerce. Small
6 changes in the supply of a commodity could create a sufficient
7 surplus to affect seriously the price of such commodity in
8 interstate and foreign commerce. Large changes in the
9 supply of such commodity could have a more acute effect on
10 the price of the commodity in interstate and foreign com-
11 merce and, also, could overtax the handling, processing, and
12 transportation facilities through which the flow of interstate
13 and foreign commerce in such commodity is directed. Such
14 adverse effects caused by overproduction in one year could
15 further result in a deficient supply of the commodity in the
16 succeeding year, causing excessive increases in the price of
17 the commodity in interstate and foreign commerce in such
18 year. It is, therefore, necessary to prevent acreage diverted
19 from the production of feed grains to be used to produce com-
20 modities which are in surplus supply or which will be in
21 surplus supply if they are permitted to be grown on the di-
22 verted acreage.

23 "NATIONAL MARKETING QUOTA

24 "SEC. 360b. (a) Whenever prior to June 20 in any
25 calendar year the Secretary determines that the total supply

1 of feed grains in the marketing year beginning in the next
2 succeeding calendar year will, in the absence of a marketing
3 quota program, likely be excessive, the Secretary shall pro-
4 claim that a national marketing quota for feed grains shall
5 be in effect for such marketing year and for either the
6 following marketing year or the following two marketing
7 years, if the Secretary determines and declares in such
8 proclamation that a two- or three-year marketing quota
9 program is necessary to effectuate the policy of the Act.

10 “ (b) If a national marketing quota for feed grains has
11 been proclaimed for any marketing year, the Secretary shall
12 determine and proclaim the amount of the national market-
13 ing quota for such marketing year not earlier than January
14 1 or later than June 20 of the calendar year preceding the
15 year in which such marketing year begins. The amount of
16 the national marketing quota for feed grains for any market-
17 ing year shall be an amount of feed grains which, during such
18 marketing year, the Secretary estimates (i) will be utilized
19 in the United States in the production of the volume of live-
20 stock (including poultry) and livestock products determined
21 to be needed to meet domestic consumption and export re-
22 quirements, (ii) will be utilized for human consumption in
23 the United States as food, food products, and beverages, com-
24 posed wholly or partly of feed grains, (iii) will be utilized
25 in the United States for seed and industrial uses, and (iv)

1 will be exported either in the form of feed grains or products
2 thereof; less (i) an amount of feed grains equal to the esti-
3 mated imports of feed grains into the United States during
4 such marketing year and, (ii) if the stocks of feed grains
5 owned by the Commodity Credit Corporation are determined
6 by the Secretary to be excessive, an amount of feed grains
7 determined by the Secretary to be a desirable reduction in
8 such marketing year in such stocks to achieve the policy of
9 the Act: *Provided*, That if the Secretary determines that
10 the total stocks of feed grains in the Nation are insufficient
11 to assure an adequate carryover for the next succeeding
12 marketing year, the national marketing quota otherwise de-
13 termined shall be increased by the amount the Secretary
14 determines to be necessary to assure an adequate carryover.

15 “(c) If, after the proclamation of a national marketing
16 quota for feed grains for any marketing year, the Secretary
17 has reason to believe that, because of a national emergency
18 or because of a material increase in the demand for feed
19 grains, the national marketing quota should be terminated or
20 the amount thereof increased, he shall cause an immediate
21 investigation to be made to determine whether such action is
22 necessary in order to meet such emergency or increase in the
23 demand for feed grains. If, on the basis of such investiga-
24 tion, the Secretary finds that such action is necessary, he
25 shall immediately proclaim such finding and the amount of

1 any such increase found by him to be necessary and there-
2 upon such national marketing quota shall be so increased or
3 terminated. In case any national marketing quota is in-
4 creased under this subsection, the Secretary shall provide for
5 such increase by increasing acreage allotments established
6 under this part by a uniform percentage.

7 "NATIONAL ACREAGE ALLOTMENT

8 "SEC. 360c. Whenever the amount of the national
9 marketing quota for feed grains is proclaimed for any mar-
10 keting year, the Secretary at the same time shall proclaim
11 a national acreage allotment for the crop of feed grains
12 planted for harvest in the calendar year in which such
13 marketing year begins. The amount of the national acreage
14 allotment shall be the number of acres which the Secretary
15 determines on the basis of expected yields and expected
16 underplantings of farm acreage allotments will, together with
17 (1) the expected production of feed grains in the noncom-
18 mercial area, if any, and (2) the expected production on
19 increased acreages resulting from the small-farm exemption
20 pursuant to section 360f, make available a supply of feed
21 grains equal to the national marketing quota for feed grains
22 for such marketing year.

23 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

24 "SEC. 360d. (a) The national acreage allotment for
25 any crop of feed grains, less a reserve acreage of not to

1 exceed 1 per centum thereof for use as provided in sub-
2 section (b) (2) of this section, shall be apportioned by the
3 Secretary among the several States on the basis of the base
4 acreage of feed grains for each State. The State base acreage
5 of feed grains shall be the average acreage of feed grains
6 in the State during the base period, adjusted pursuant to
7 subsection (d) of this section.

8 “(b) (1) The State acreage allotment for any crop of
9 feed grains, less a reserve acreage of not to exceed 3 per
10 centum thereof for use as provided in subsection (c) (2) of
11 this section, shall be apportioned by the Secretary among
12 the counties in the State on the basis of the base acreage of
13 feed grains for each county. The county base acreage of
14 feed grains shall be the average acreage of feed grains in the
15 county during the base period, adjusted pursuant to subsec-
16 tion (d) of this section.

17 “(2) The reserve acreage established pursuant to sub-
18 section (a) of this section shall be used by the Secretary to
19 make increases in county acreage allotments on the basis of
20 the relative needs of counties for an additional share of the
21 national acreage allotment because of reclamation and other
22 new areas coming into the production of feed grains.

23 “(c) (1) The county acreage allotment for any crop
24 of feed grains shall be apportioned by the Secretary, through

1 the county committee, among the farms in the county on
2 the basis of the base acreage of feed grains for each farm.
3 The farm base acreage of feed grains shall be the average
4 acreage of feed grains on the farm during the base period,
5 adjusted pursuant to subsection (d) of this section.

6 “(2) The reserve acreage established pursuant to sub-
7 section (b) (1) of this section shall be available:

8 “(A) For apportionment to farms which were eli-
9 gible to receive farm acreage allotments under this part,
10 but which through error did not receive such allotments;

11 “(B) For making increases in farm acreage allot-
12 ments on the basis of any one or more of the following
13 factors: tillable acres, type of soil, topography, estab-
14 lished crop-rotation practices on the farm, hardship, in-
15 equities in allotments, and such other factors as the Sec-
16 retary determines should be considered for the purpose
17 of establishing fair and equitable farm acreage allotments;
18 and

19 “(C) For apportionment to farms for which farm
20 acreage allotments were not determined because there
21 were no acreages of feed grains on such farm during
22 the base period on the basis of the following factors:
23 the suitability of the land for the production of feed

1 grains, the past experience of the farm operator in the
2 production of feed grains, the extent to which the farm
3 operator is dependent on income from farming for his
4 livelihood, the production of feed grains on other farms
5 owned, operated, or controlled by the farm operator,
6 and such other factors as the Secretary determines should
7 be considered for the purpose of establishing fair and
8 equitable farm acreage allotments.

9 “(d) In determining the State, county, and farm base
10 acreages—

11 “(1) the base period shall be the calendar years
12 1959 and 1960 for the purpose of determining acreage
13 allotments for the 1963, 1964, and 1965 crops of feed
14 grains; and for the purpose of determining acreage
15 allotments for subsequent crops of feed grains, the base
16 period shall be the two most recent calendar years
17 during which a marketing quota program was in effect
18 for which statistics of the Federal Government are
19 available;

20 “(2) the Secretary shall make such adjustments as
21 he determines are necessary for abnormal conditions
22 affecting the acreage of feed grains planted for harvest,
23 land which is regarded as devoted to the production
24 of feed grains under Federal farm programs, established
25 crop-rotation practices on the farm, and such other

factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

“(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

“COMMERCIAL AREA GEOGRAPHICAL APPLICABILITY

“SEC. 360e. Notwithstanding any other provision of this part, if the Secretary determines that the establishment of a commercial feed grain area will facilitate the administration of a marketing quota program for feed grains and will not substantially impair the effective operation thereof, he may establish a commercial area for feed grains taking into consideration with respect to the commercial area and the non-commercial area one or more of the following factors: the total production of feed grains, the number of farms normally producing feed grains, the average production of feed grains per farm, the value of the total marketings of feed grains, and the extent to which marketings enter into commercial channels outside such area. In establishing a commercial area the Secretary shall, insofar as practicable, observe county boundary lines. The commercial area shall be proclaimed at the time the national marketing quota is proclaimed pursuant to section 360b, and such national marketing quota

1 shall not be in effect with respect to feed grains produced out-
2 side the commercial area. The national acreage allotment
3 for any crop of feed grains shall be apportioned by the
4 Secretary among the States, counties, and farms in the
5 commercial area on the basis of the provisions of section
6 ~~360d~~. *This part VII shall be applicable to the several States*
7 *except Alaska and Hawaii, but not the territories.*

8 "SMALL FARM EXEMPTION

9 "SEC. 360f. Notwithstanding any other provision of
10 this part, no farm marketing quota for any crop of feed grains
11 shall be applicable to any farm with a farm base acreage
12 of twenty-five acres or less if the acreage of such crop of
13 feed grains does not exceed the farm base acreage deter-
14 mined for the farm, unless the owner or operator elects in
15 writing on a form and within the time prescribed by the
16 Secretary to be subject to the farm acreage allotment. If
17 the owner or operator of any such farm fails to make such
18 election with respect to any crop of feed grains, (i) for the
19 purposes of section 360h, the farm acreage allotment for such
20 crop of feed grains shall be deemed to be the farm base
21 acreage if the acreage of such crop of feed grains exceeded
22 the farm base acreage, (ii) the land-use provisions of sec-
23 tion 360j shall be inapplicable to the farm, and (iii) such
24 crop of feed grains shall not be eligible for price support.

1 "REFERENDUM

2 "SEC. 360g. If a national marketing quota for feed grains
3 for one, two, or three marketing years is proclaimed, the
4 Secretary shall, not later than sixty days after such proclama-
5 tion is published in the Federal Register, conduct a referen-
6 dum, by secret ballot, of farmers to determine whether they
7 favor or oppose marketing quotas for the marketing year or
8 years for which proclaimed. Any producer who has a feed
9 grain base shall be eligible to vote in any referendum held
10 pursuant to this section, except a producer who has a farm
11 feed grain base of twenty-five acres or less and who does not
12 elect, pursuant to section 360f, to be subject to the farm acre-
13 age allotment. The Secretary shall proclaim the results of
14 any referendum held hereunder within thirty days after the
15 date of such referendum, and if the Secretary determines that
16 more than one-third of the farmers voting in the referendum
17 voted against marketing quotas, the Secretary shall pro-
18 claim that marketing quotas will not be in effect with respect
19 to the crop of feed grains produced for harvest in the calendar
20 year following the calendar year in which the referendum is
21 held. If the Secretary determines that two-thirds or more
22 of the farmers voting in a referendum approve marketing
23 quotas for a period of two or three marketing years, no refer-
24 endum shall be held for the subsequent year or years of such
25 period.

1 "COMPLIANCE

2 "SEC. 360h. (a) (1) The farm marketing quota for any
3 crop of feed grains shall be the actual production of the
4 acreage of feed grains on the farm less the farm marketing
5 excess. The farm marketing excess shall be an amount equal
6 to twice the normal production of the acreage of feed grains
7 on the farm in excess of the farm acreage allotment for such
8 crop: *Provided*, That the farm marketing excess shall be an
9 amount equal to the actual production of the number of acres
10 of feed grains on the farm in excess of the farm acreage allot-
11 ment for such crop, if the producer, in accordance with
12 regulations issued by the Secretary and within the time
13 prescribed therein, establishes to the satisfaction of the
14 Secretary the actual production of such crop of feed grains on
15 the farm: *Provided further*, That if there is an acreage of
16 more than one feed grain on the farm, in determining which
17 acreage is in excess of the farm acreage allotment, the acre-
18 age of the feed grain or grains which ~~will result in the largest~~
19 ~~penalty computed in accordance with subsection (b) hereof~~
20 *has the highest value, based on the normal yield of the feed*
21 *grain on the farm multiplied by the basic county support*
22 *rate for the feed grain*, shall be considered as the acreage in
23 excess of the farm acreage allotment.

24 " (2) For the purposes of this section, (i) 'actual pro-
25 duction' of any number of acres of a feed grain on a farm

1 means the actual average yield of such feed grain on the farm
2 multiplied by the number of acres of such feed grain, and
3 (ii) 'normal production' of any number of acres of a feed
4 grain on a farm means the normal yield of such feed grain
5 on the farm multiplied by the number of acres of such feed
6 grain. The normal yield of any feed grain for a farm shall
7 be the average yield of such feed grain determined by the
8 Secretary for the ~~local administrative area~~ *farm* during the
9 base period (as defined in subsection (d) (1) of section
10 360d) adjusted to the extent the Secretary determines neces-
11 sary for abnormal factors affecting production. The local
12 administrative area shall be such area established pursuant to
13 section 8 (b) of the Soil Conservation and Domestic Allot-
14 ment Act, as amended, in which the farm is located.

15 “(3) In determining the farm marketing quota and
16 farm marketing excess, (i) any acreage of a feed grain
17 remaining after the date prescribed by the Secretary for the
18 disposal of excess acres of such feed grain shall be included
19 as an acreage of feed grains on the farm, and the production
20 thereof shall be appraised in such manner as the Secretary
21 determines will provide a reasonably accurate estimate of
22 such production, (ii) any acreage of any feed grain classified
23 as wheat acreage pursuant to section 337 shall not be con-
24 sidered feed grain acreage, and (iii) any acreage of feed
25 grains disposed of in accordance with regulations issued by

1 the Secretary prior to such date as may be prescribed by the
2 Secretary shall be excluded in determining the farm market-
3 ing quota and farm marketing excess. Marketing quotas for
4 any marketing year shall be in effect with respect to feed
5 grains harvested in the calendar year in which such market-
6 ing year begins notwithstanding that the feed grains are
7 marketed prior to the beginning of such marketing year.

8 “(b) Whenever farm marketing quotas are in effect
9 with respect to any crop of feed grains, the farm marketing
10 excess of any feed grain shall be regarded as available for
11 marketing, and the producers on a farm shall be subject to
12 a penalty on the farm marketing excess of feed grains at a
13 rate per bushel on the amount of feed grains in the farm mar-
14 keting excess equal to 65 per centum of the parity price of
15 the particular feed grain involved as of May 1 of the calen-
16 dar year in which the crop is harvested. Each producer hav-
17 ing an interest in the crop of feed grains on any farm for
18 which a farm marketing excess of feed grains is determined
19 shall be jointly and severally liable for the entire amount of
20 the penalty on the farm marketing excess. *The Secretary*
21 *shall issue regulations under which the farm marketing excess*
22 *of feed grains for the farm harvested for grain may be stored*
23 *or delivered to him. Upon failure to store, or deliver to the*
24 *Secretary, the farm marketing excess within such time as may*

1 be determined under regulations prescribed by the Secretary,
2 the penalty computed as aforesaid shall be paid by the pro-
3 ducer. Any feed grains delivered to the Secretary hereunder
4 shall become the property of the United States and shall be
5 disposed of by the Secretary for relief purposes in the United
6 States or friendly foreign countries or in such other manner
7 as he shall determine will divert it from the normal channels
8 of trade and commerce. Whenever the planted acreage of
9 the then current crop of feed grains is less than the farm
10 acreage allotment for feed grains, the total amount of feed
11 grains from any previous crops required to be stored in order
12 to postpone or avoid payment of penalty shall be reduced
13 by that amount which is equal to the normal yield for the
14 farm of the particular feed grain which is released from
15 storage multiplied by the number of acres by which the farm
16 acreage allotment exceeds the planted acreage. Whenever,
17 upon any farm, the actual production of the acreage of feed
18 grains of the current crop is less than the normal produc-
19 tion of the farm acreage allotment, there may be released for
20 marketing, without penalty, from such farm an amount of
21 feed grains from any previous crops in storage in order to
22 postpone or avoid payment of penalty which together with
23 the actual production of the then current crop and the amount

1 *of any stored feed grains released by reason of underplant-*
2 *ing the current crop of feed grains will equal the normal pro-*
3 *duction of the farm acreage allotment.*

4 “(c) If the farm marketing excess is adjusted down-
5 ward on the basis of actual production as heretofore provided,
6 the difference between the amount of the penalty computed
7 upon the basis of twice the normal production and as com-
8 puted upon the basis of actual production shall be returned
9 to or allowed the producer.

10 “(d) Until the producers on any farm *store, deliver to*
11 *the Secretary, or* pay the penalty on, the farm marketing
12 excess of any crop of feed grains, the entire crop of feed grains
13 produced on the farm and any subsequent crop of feed grains
14 subject to marketing quotas in which the producer has an
15 interest shall be subject to a lien in favor of the United States
16 for the amount of the penalty.

17 “(e) ~~Until the penalty on the farm marketing excess of~~
18 ~~feed grains~~ *the farm marketing excess of feed grains is*
19 *stored or delivered to the Secretary, or the penalty thereon*
20 *is paid, each bushel of feed grains produced on the farm*
21 *shall be subject to the penalty specified in subsection (b)*
22 *of this section, and such penalty on each bushel of feed grains*
23 *which is sold by the producer to any person within the*
24 *United States shall be paid by the buyer, who may deduct*
25 *an amount equivalent to the penalty from the price paid to*

1 the producer. If the buyer fails to collect such penalty, such
 2 buyer and all persons entitled to share in the feed grains
 3 marketed from the farm or the proceeds thereof shall be
 4 jointly and severally liable for such penalty.

5 “(f) The persons liable for the payment or collection
 6 of the penalty on any amount of feed grains shall be liable
 7 also for interest thereon at the rate of 6 per centum per an-
 8 num from the date the penalty becomes due until the date
 9 of payment of such penalty.

10 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

11 “SEC. 360i. Notwithstanding any other provision of law,
 12 the Secretary ~~may~~ *shall* permit producers of wheat to have
 13 acreage devoted to the production of wheat considered as de-
 14 voted to the production of feed grains to such extent and
 15 subject to such terms and conditions as the Secretary de-
 16 termines will not impair the effective operation of this sub-
 17 title B.

18 “LAND USE

19 “SEC. 360j. (a) (1) During any year in which mar-
 20 keting quotas for feed grains are in effect, the producers on
 21 any farm (except a farm for which a farm acreage allot-
 22 ment is established pursuant to section 360d (c) (2) (C)) on
 23 which any crop is produced on acreage required to be di-
 24 verted from the production of feed grains shall be subject
 25 to a penalty on such crop, in addition to any marketing quota

1 penalty applicable to such crop, as provided in this subsec-
2 tion, unless (i) the crop is designated by the Secretary as
3 one which is not in surplus supply and will not be in surplus
4 supply if it is permitted to be grown on the diverted acreage,
5 or as one the production of which will not substantially im-
6 pair the purpose of the requirements of this section, or (ii)
7 no feed grains are produced on the farm, and the producers
8 have not filed an agreement or a statement of intention to
9 participate in the payment program formulated pursuant to
10 subsection (b) of this section. The acreage required to be
11 diverted from the production of feed grains on the farm
12 shall be an acreage of cropland equal to the amount by which
13 the base acreage of feed grains for the farm exceeds the
14 farm acreage allotment for feed grains. The actual produc-
15 tion of any crop subject to penalty under this subsection
16 shall be regarded as available for marketing and the penalty
17 on such crop shall be computed on the actual acreage of
18 such crop at the rate of 65 per centum of the parity price
19 per bushel, as of May 1, *of the calendar year in which the*
20 *crop is harvested*, of the feed grain determined by the
21 Secretary to be the principal feed grain produced in the
22 county, multiplied by the normal yield for such feed grain as
23 defined in section 360h (a). Until the producers on any
24 farm pay the penalty on such crop, the entire crop of feed
25 grains produced on the farm and any subsequent crop of

1 feed grains subject to marketing quotas in which the pro-
2 ducer has an interest shall be subject to a lien in favor of
3 the United States for the amount of the penalty. Each
4 producer having an interest in the crop or crops on acreage
5 diverted or required to be diverted from the production of
6 feed grains shall be jointly and severally liable for the entire
7 amount of the penalty. The Secretary may require the
8 penalty on the production of crops on the diverted acreage
9 to be collected by the purchaser of feed grains produced on
10 the farm. The persons liable for the payment or collection
11 of the penalty under this section shall be liable also for in-
12 terest thereon at the rate of 6 per centum per annum from
13 the date the penalty becomes due until the date of payment
14 of such penalty.

15 “(2) The Secretary may require that the acreage on
16 any farm diverted from the production of feed grains be land
17 which was diverted from the production of feed grains in the
18 previous year, to the extent he determines that such require-
19 ment is necessary to effectuate the purposes of this subtitle.

20 “(3) The Secretary may permit the diverted acreage to
21 be grazed in accordance with regulations prescribed by the
22 Secretary.

23 “(b) The Secretary is authorized to formulate and carry
24 out a program with respect to the 1963, 1964, and 1965
25 crops of feed grains under which, subject to such terms and

1 conditions as he determines are desirable to effectuate the
2 purposes of this section, payments may be made in amounts
3 determined by the Secretary to be fair and reasonable to
4 producers with respect to acreage diverted pursuant to sub-
5 section (a) of this section. The Secretary may permit the
6 producers on the farm to divert from the production of feed
7 grains an acreage, in addition to the acreage diverted pur-
8 suant to subsection (a), equal to 20 per centum of the
9 farm acreage allotment for feed grains: *Provided*, That the
10 producers on any farm may, at their election, divert such
11 acreage, in addition to the acreage diverted pursuant to sub-
12 section (a), as will bring the total acreage diverted on the
13 farm to ~~twenty~~ *twenty-five* acres. Such program shall re-
14 quire (1) that the diverted acreage shall be devoted to
15 conservation uses approved by the Secretary; (2) that the
16 total acreage of cropland on the farm devoted to soil-conserv-
17 ing uses, including summer fallow and idle land but exclud-
18 ing the acreage diverted as provided above and acreage di-
19 verted under the land-use provisions for wheat pursuant to
20 section 339, shall not be less than the total average acreage
21 of cropland devoted to soil-conserving uses including sum-
22 mer fallow and idle land on the farm during the base period
23 used in determining the farm acreage allotment adjusted to
24 the extent the Secretary determines appropriate for (i)
25 abnormal weather conditions or other factors affecting pro-

1 duction, (ii) established crop-rotation practices on the farm,
 2 (iii) participation in other Federal farm programs, (iv)
 3 unusually high percentage of land on the farm devoted to
 4 conserving uses, and (v) for other factors which the Secre-
 5 tary determines should be considered for the purpose of
 6 establishing a fair and equitable soil-conserving acreage for
 7 the farm; and (3) that the producers shall not knowingly
 8 exceed (i) any farm acreage allotment in effect for any
 9 commodity produced on the farm, and (ii) except as the
 10 Secretary may by regulation prescribe, the farm acreage
 11 allotments on any other farm for any crop in which the
 12 producer has a share: *Provided*, That no producer shall be
 13 deemed to have exceeded a farm acreage allotment for wheat
 14 if the entire amount of the farm marketing excess of wheat
 15 is delivered to the Secretary or stored in accordance with
 16 applicable regulations to avoid or postpone payment of the
 17 penalty. The producer on any farm for which a farm
 18 acreage allotment is established pursuant to section 360d (c)
 19 (2) (C) shall not be eligible for payments hereunder. The
 20 Secretary shall provide for the sharing of payment among
 21 producers on the farm on a fair and equitable basis. Pay-
 22 ments may be made in cash or in feed grains. *The Secretary*
 23 *shall provide for the sharing of payment among producers on*
 24 *the farm on a fair and equitable basis. The following factors*

1 shall be given consideration in arriving at the division of
2 payment:

3 “(1) The basis on which producers would have
4 shared in the production of feed grains had feed grains
5 been produced on the diverted acreage;

6 “(2) The savings or benefits accruing to each pro-
7 ducer on the diverted acreage;

8 “(3) The respective contribution of each producer
9 to the establishment and maintenance of the conservation
10 use on the acreage designated as diverted from produc-
11 tion; and

12 “(4) The respective relationship of the diverted
13 acreage and increased conservation acreage to the various
14 ownership tracts comprising a farm.

15 “(c) The Secretary may provide for adjusting any
16 payment on account of failure to comply with the terms
17 and conditions of the program formulated under subsection
18 ~~(b) of this section.~~ Where a producer is not entitled to
19 receive full payment under the program formulated under
20 subsection (b) of this section because of failure to comply
21 with the terms and conditions of the program, the Secretary
22 is authorized to make partial payment to the producer pro-
23 portionate to the performance rendered.

24 “(d) Not to exceed 50 per centum of any payment to

1 producers under subsection (b) of this section may be
2 made in advance of determination of performance.

3 “(e) The program formulated pursuant to subsection
4 (b) of this section may include such terms and conditions,
5 in addition to those specifically provided for herein, as the
6 Secretary determines are desirable to effectuate the purposes
7 of this section.

8 “(f) The Secretary is authorized to promulgate such
9 regulations as may be desirable to carry out the provisions
10 of this section.

11 “(g) The Commodity Credit Corporation is authorized
12 to utilize its capital funds and other assets for the purpose
13 of making the payments authorized in this section and to
14 pay administrative expenses necessary in carrying out this
15 section during the period ending June 30, 1963. There is
16 authorized to be appropriated such amounts as may be
17 necessary thereafter to pay such administrative expenses.

18 “(h) Notwithstanding any other provision of law, per-
19 formance rendered in good faith in reliance upon action or
20 advice of an authorized representative of the Secretary may
21 be accepted as meeting the requirements of this section, or
22 of subsections (c) and (d) of section 16 of the Soil Conser-
23 vation and Domestic Allotment Act, as amended, any pay-
24 ment may be made therefor in accordance with such action

1 or advice to the extent the Secretary deems it desirable in
2 order to provide fair and equitable treatment.”

3 SEC. 402. Section 2 of the Agricultural Adjustment Act
4 of 1938, as amended, is hereby amended by striking out
5 “and” immediately following the last semicolon, by changing
6 the period at the end thereof to a semicolon, and by adding
7 immediately following such new semicolon the following:
8 “and to reduce the annual carryover of feed grains, to stabi-
9 lize the supply of feed grains at a level consistent with any
10 national policy with respect to commodity reserves grains,
11 and to provide for an adequate and balanced flow of feed
12 grains so that the prices of feed grains are fair to producers
13 and consumers and the total supply of feed grains available
14 for utilization for livestock feed is maintained at a level which
15 is consistent with the production of the quantities of livestock
16 and the products thereof that will be consumed and exported
17 at prices which are fair to producers and consumers.”

18 SEC. 403. Section 301 of the Agricultural Adjustment
19 Act of 1938, as amended, is hereby amended as follows:

20 (1) Subsection (a) is amended by adding at the
21 end thereof the following new items:

22 “(10) The term ‘feed grains’ means corn, oats,
23 grain sorghums, and barley. The term ‘feed grains’
24 shall also include rye if the Secretary designates such
25 commodity.

“(11) The term ‘acreage of feed grains’ means acreage of feed grains planted for harvest (including self-seeded feed grains).

“(12) The term ‘crop’ as applied to ‘feed grains’ means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year.”

(2) Subsection (b) (6) (A) is amended to read as follows:

“(6) (A) ‘Market’, in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of.”

(3) Subsection (b) (7) is amended to read as follows:

“(7) ‘Marketing year’ means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

“Barley, July 1–June 30;

“Corn, October 1–September 30;

“Cotton, ~~August 1–July 31~~ *July 1–June 30*;

“Oats, July 1–June 30;

1 “Grain sorghums, July 1–June 30;

2 “Peanuts, ~~August 1–July 31~~ *July 1–June 30*;

3 “Rice, ~~August 1–July 31~~ *July 1–June 30*;

4 “Rye, July 1–June 30;

5 “Tobacco (flue-cured), July 1–June 30;

6 “Tobacco (other than flue-cured), October 1–
7 September 30;

8 “Wheat, July 1–June 30;

9 “*All others July 1–June 30.*

10 “ ‘Marketing year’ means, in the case of ‘feed grains’,
11 the marketing years for the agricultural commodities
12 comprising the feed grains.”

13 SEC. 404. Sections 361, 362, and 363 of the Agricul-
14 tural Adjustment Act of 1938, as amended, are hereby
15 amended as follows:

16 (1) Section 361 is amended by adding “feed
17 grains,” after “wheat,”, and by changing the period at
18 the end of the section to a comma and adding the follow-
19 ing: “and to the review of land-use penalties assessed
20 pursuant to sections 339 and 360j.”

21 (2) Section 362 is amended by adding at the end
22 thereof the following: “Notice of the land-use penalty
23 assessed pursuant to section 339 or 360j shall be mailed
24 to the farmer.”

25 (3) Section 363 is amended by adding “or land-

1 use penalty” after the word “quota” wherever it appears
2 in such section.

3 SEC. 405. Section 372 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by adding
5 “feed grains,” after “wheat,” in subsection (a) thereof.

6 SEC. 406. Sections 373, 374, and 375 of the Agricul-
7 tural Adjustment Act of 1938, as amended, are hereby
8 amended by deleting “corn” wherever it appears and by
9 substituting in lieu thereof “feed grains”; and subsection (b)
10 of section 375 of the Agricultural Adjustment Act of 1938,
11 as amended, is further amended by striking out the period at
12 the end of the sentence and inserting at the end thereof the
13 following: “or to effectuate the provisions thereof.”

14 SEC. 407. Section 385 of the Agricultural Adjustment
15 Act of 1938, as amended, is hereby amended by inserting
16 in the first sentence after “Soil Conservation Act payment,”
17 the following: “payment under section 360j,”.

18 SEC. 408. The amendments to the Agricultural Adjust-
19 ment Act of 1938, as amended, made by sections 401 through
20 407 of this Act shall be in effect only with respect to pro-
21 grams applicable to crops planted for harvest in the cal-
22 endar year 1963 or any subsequent year and to the mar-
23 keting years beginning in the calendar year 1963 or any sub-
24 sequent year.

1 SEC. 409. The Agricultural Act of 1949, as amended,
2 is amended as follows:

3 (1) By amending section 105 by deleting subsec-
4 tions (a) and (b) and substituting the following:

5 “(a) Notwithstanding the provisions of section 101 of
6 this Act, beginning with the 1963 crop—

7 “(1) price support for each crop of corn shall be
8 made available at such level not less than 65 per
9 centum or more than 90 per centum of the parity
10 price therefor as the Secretary determines appropriate
11 after consideration of (i) the factors specified in
12 section 401 (b) of this Act, (ii) the supplies of feed
13 grains that would be available during the marketing
14 year at prices approximating the support prices of feed
15 grains, and (iii) consumption goals during the market-
16 ing year for livestock and livestock products, taking into
17 consideration consumption under special governmental
18 programs, and imports and exports of livestock and live-
19 stock products.

20 “(2) price support for each crop of barley, grain
21 sorghums, oats, and rye, respectively, shall be at such
22 level as the Secretary determines is fair and reasonable
23 in relation to the level at which price support is made
24 available for corn, taking into consideration the feeding
25 value of such feed grain in relation to corn and the

1 ~~other factors specified in section 401(b) of this Act~~ *corn,*
2 *location, and buyer preference but in no case shall the*
3 *level of support be greater than the level of support for*
4 *corn.*

5 “(3) if marketing quotas are in effect for the crop
6 of any feed grain, (i) price support for such crop shall
7 be made available only to cooperators, and (ii) if a
8 commercial feed grain-producing area is established for
9 such crop, price support shall be made available only
10 in the commercial feed grain-producing area.

11 “(4) no price support shall be made available for
12 any crop of a feed grain for which a marketing quota
13 is not in effect because of disapproval by producers, and

14 “(5) a ‘cooperator’ with respect to any crop of feed
15 grains produced on a farm shall be a producer who (i)
16 does not knowingly exceed (A) the farm acreage allot-
17 ment for feed grains or any other commodity on the farm
18 or (B) except as the Secretary may by regulation pre-
19 scribe, the farm acreage allotment on any other farm for
20 any commodity in which he has an interest as a producer,
21 and (ii) complies with the land-use requirements of
22 section 360j of the Agricultural Adjustment Act of 1938,
23 as amended, to the extent prescribed by the Secretary.
24 No producer shall be deemed to have exceeded a farm
25 acreage allotment for wheat if the entire amount of the

1 farm marketing excess of wheat is delivered to the
 2 Secretary or stored in accordance with applicable regu-
 3 lations to avoid or postpone payment of the penalty, but
 4 the producer shall not be eligible to receive price support
 5 on such farm marketing excess."

6 (2) By amending section 105 by redesignating
 7 subsection (c) thereof as subsection (b).

8 (3) By amending section 401 by inserting after
 9 the comma before "(2)" the following: "(2) the in-
 10 come needed to provide a farm operator and his family
 11 with a return for his labor and investment equal to the
 12 return earned by comparable resources in other occupa-
 13 tions", and by renumbering (2), (3), (4), (5), (6),
 14 (7), and (8) as (3), (4), (5), (6), (7), (8),
 15 and (9), respectively.

16 (4) By adding at the end of section 407 the
 17 following: "Notwithstanding any other provision here-
 18 of, (i) if a marketing quota for feed grains for any mar-
 19 keting year is disapproved by producers, the Commodity
 20 Credit Corporation is ~~authorized to~~ *may* sell for un-
 21 restricted use from its stocks at market prices during
 22 such marketing year ~~up to~~ *not to exceed* ten million tons,

1 or the equivalent in bushels, of feed grains, (ii) if a
2 marketing quota for wheat for any marketing year is
3 disapproved by producers, the Commodity Credit Cor-
4 poration is ~~authorized to~~ *may* sell for unrestricted use
5 from its stocks at market prices during the marketing
6 year ~~up to~~ *not to exceed* two hundred million bushels of
7 wheat.”

○

[COMMITTEE PRINT NO. 6]

March 30, 1962

LAND-USE ADJUSTMENT

(As approved by the Conservation and Credit Subcommittee
March 28, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection

9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in

11 subsection (a) of this section, the" and inserting in lieu

12 thereof the word "The"; and

1 (4) by adding a new subsection at the end of
2 section 16 of said Act to read as follows:

3 “(e) (1) For the purpose of promoting the conserva-
4 tion and economic use of land, the Secretary, without regard
5 to the foregoing provisions of this Act, except those relating
6 to the use of the services of State and local committees, is
7 authorized to enter into agreements, to be carried out during
8 such period not to exceed fifteen years as he may determine,
9 with farm and ranch owners and operators providing for
10 changes in cropping systems and land uses and for practices
11 or measures to be carried out on any lands owned or operated
12 by them for the purpose of conserving and developing soil,
13 water, forest, wildlife, and recreation resources. Such agree-
14 ments shall include such terms and conditions as the Secre-
15 tary may deem desirable to effectuate the purposes of this
16 subsection and may provide for payments, the furnishing of
17 materials and services, and other assistance, in amounts
18 determined by the Secretary to be fair and reasonable, in
19 consideration of the obligations undertaken by the farm and
20 ranch owners and operators and the rights acquired by the
21 Secretary.

22 “(2) The Secretary shall provide adequate safeguards
23 to protect the interests of tenants and sharecroppers, includ-
24 ing provision for sharing, on a fair and equitable basis, in pay-
25 ments under this subsection.

1 “(3) The Secretary may agree to such modification of
2 agreements previously entered into as he may determine to
3 be desirable to carry out the purposes of this subsection or to
4 facilitate the practical administration of the program carried
5 out pursuant to this subsection.

6 “(4) The Secretary shall issue such regulations as he
7 determines necessary to carry out the provisions of this
8 subsection.

9 ~~“(5) In any case where the Secretary deems it desirable~~
10 ~~he may as a condition to entering into an agreement here-~~
11 ~~under require, notwithstanding the provisions of any other~~
12 ~~law, the surrender of any crop history or allotment applicable~~
13 ~~to land covered by the agreement for the purpose of any~~
14 ~~Federal program under which such crop history or allotment~~
15 ~~is used as a basis for an allotment or other limitation on the~~
16 ~~production of such crop.~~

17 ~~“(6) (5)~~ There is hereby authorized to be appropriated
18 such sums as may be necessary to carry out this subsection.”

19 SEC. 102. Section 31 and subsections ~~(a)~~, ~~(b)~~, ~~(c)~~,
20 ~~and subsection~~ (e) of section 32 of title III of the Bankhead-
21 Jones Farm Tenant Act (50 Stat. 525), as amended, are
22 amended to read as follows:

23 “SEC. 31. The Secretary is authorized and directed to
24 develop a program of land conservation and land utilization,
25 including the more economic use of lands and the retirement

1 of lands which are submarginal or not primarily suitable for
2 cultivation, in order thereby to correct maladjustments in
3 land use, and thus assist in controlling soil erosion, reforesta-
4 tion, providing public recreation, preserving natural re-
5 sources, protecting fish and wildlife, mitigating floods, pre-
6 venting impairment of dams and reservoirs, conserving
7 surface and subsurface moisture, protecting the watersheds
8 of navigable streams, and protecting the public lands, health,
9 safety, and welfare.

10 "SEC. 32. To effectuate the program provided for in
11 section 31 of this title, the Secretary is authorized—

12 "~~(a)~~ to acquire by purchase, gift, or [✓]devise, or by
13 transfer from any agency of the United States or from
14 any State, territory, or political subdivision, any lands,
15 or rights or interests therein, which he deems necessary
16 to carry out the purposes of this title. Such property
17 may be acquired subject to any reservations, outstand-
18 ing estates, interests, easements, or other encumbrances
19 which the Secretary determines will not interfere with
20 the utilization of such property for the purposes of this
21 title: *Provided*, That the land purchases hereunder shall
22 be limited to those which the Secretary determines would
23 not have a serious adverse effect on the economy of the
24 county or community in which the land is located;

25 "~~(b)~~ to protect, improve, develop, and administer

any property so acquired and to construct, operate, and maintain such structures thereon as may be necessary to adapt it to its most beneficial use;

“(e) to sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however,* That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary finds that such exchange would not conflict with the purposes of this title, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies. The Secretary may, where he determines it necessary to accomplish the purposes of this title, con-

1 vey property acquired after the date of this amendment
 2 to carry out such purposes to any agency, governmental
 3 or otherwise, or any person, upon such terms and con-
 4 ditions as he deems advisable: *Provided*, That this au-
 5 thority shall not be applicable to lands acquired in ex-
 6 change for lands acquired prior to the date of this
 7 amendment;

8 “(d) (e) to cooperate, enter agreements with, or to
 9 furnish financial or other aid to, any Federal, State,
 10 territorial, or any other agency, governmental or other-
 11 wise, in developing and carrying out plans for a program
 12 of land conservation and land utilization, to conduct sur-
 13 veys and investigations relating to conditions and fac-
 14 tors affecting, and the methods of accomplishing most
 15 effectively the purposes of this title, and to disseminate
 16 information concerning these activities.”

17 SEC. 103. The Watershed Protection and Flood Preven-
 18 tion Act (68 Stat. 666), as amended, is amended as follows:

19 (1) Paragraph (1) of section 4 of said Act is
 20 amended by changing the semicolon at the end thereof
 21 to a colon and adding the following: “*Provided*, That
 22 when a local organization agrees to operate and maintain
 23 any reservoir or other area included in a plan for public
 24 fish and wildlife or recreational development, the Secre-
 25 tary shall be authorized to bear *not to exceed two-thirds*

of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes:

Provided further, That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to con-

1 struction of the works of improvement, for credit to such
2 construction funds.”

3 (2) Clause (A) of paragraph 2 of section 4 of said
4 Act is amended to read as follows: “(A) such propor-
5 tionate share, as is determined by the Secretary to be
6 equitable in consideration of national needs and assist-
7 ance authorized for similar purposes under other Federal
8 programs, of the costs of installing any works of improve-
9 ment, involving Federal assistance (excluding engineer-
10 ing costs), which is applicable to the agricultural phases
11 of the conservation, development, utilization, and dis-
12 posal of water or for fish and wildlife or recreational
13 development, and”.



[COMMITTEE PRINT NO. 7]

March 30, 1962

GENERAL PROVISIONS

(As approved by the Conservation and Credit Subcommittee
March 29, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

TITLE V—GENERAL PROVISIONS

SEC. 501. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: “including recreational uses and facilities.”;

(2) By inserting in section 306 (a) after the words “soil conservation practices” the words “shifts in land-use including the development of recreational facilities”, and by inserting after the word “drainage” the words “or sewer”;

(3) By striking out in section 309 (f) (1) the

1 figure "\$10,000,000" and inserting in lieu thereof the
2 figure "\$25,000,000"; and

3 (4) By inserting in section 312 after the words
4 "and conservation" the words "including recreational
5 uses and facilities".

6 ~~SEC. 502.~~ Subsections ~~(a)~~ and ~~(b)~~ of section 3 of the
7 Rural Electrification Act of 1936, as amended ~~(7 U.S.C.~~
8 ~~903)~~, be and the same are hereby amended to read as
9 follows:

10 "~~SEC. 3.~~ ~~(a)~~ There are authorized to be appropriated,
11 for the purposes of this Act, such sums as the Congress
12 may from time to time determine to be necessary.

13 "~~(b)~~ When authorized by Congress, the Administrator
14 is authorized, with the approval of the Secretary of Agriculture,
15 to make and issue notes to the Secretary of the Treasury
16 for the purpose of obtaining funds in such amounts as the
17 Congress may approve annually in appropriation Acts for
18 making loans under titles I and II of this Act. Such notes
19 shall be in such form and denominations and be subject to
20 such terms and conditions as may be prescribed by the Administrator
21 with the approval of the Secretary of the Treasury.
22 Such notes shall bear interest at a rate fixed by
23 the Secretary of the Treasury not in excess of the rate provided
24 for in sections 4 and 5 of this Act. The Secretary of
25 the Treasury is authorized and directed to purchase any notes

1 of the Administrator issued hereunder, and for that purpose
2 the Secretary of the Treasury is authorized to use as a public
3 debt transaction the proceeds from the sale of any securities
4 issued under the Second Liberty Bond Act, as amended, and
5 the purposes for which such securities may be issued under
6 such Act, as amended, are extended to include the purchase
7 of notes issued by the Administrator. All redemptions, pur-
8 chases, and sales by the Secretary of the Treasury of such
9 notes shall be treated as public debt transactions of the
10 United States.

11 "The appropriations for loans made under the authority
12 of subsection (a) and funds obtained in accordance with the
13 preceding paragraph of this subsection and the unexpended
14 balances of any funds available on the effective date of this
15 amendment for loans under this Act, including any funds
16 made available for loans under the item 'Rural Electrification
17 Administration', in the Department of Agriculture appro-
18 priation Acts current on the date of enactment of this amend-
19 ment, shall be merged into a single account hereafter in this
20 section called the 'loan account'. All notes, bonds, obliga-
21 tions, and property, including those now held by the Admin-
22 istrator on behalf of the Secretary of the Treasury, and all
23 collections therefrom, made or held under the loan provisions
24 of titles I and II of this Act, shall be assets of said account.

25 "The notes of the Administrator issued to the Secretary

1 of the Treasury under titles I and II of this Act, and all other
2 liabilities against the appropriations or assets in the loan
3 account shall be liabilities of said account, and all other obli-
4 gations against such appropriations or assets shall be obliga-
5 tions of said account. Moneys in the loan account shall also
6 be available for interest and principal repayments on notes
7 issued by the Administrator to the Secretary of the Treasury.
8 Otherwise, the balances in said account shall remain available
9 to the Administrator for loans under titles I and II of this
10 Act and for advances in connection therewith not to exceed
11 any existing appropriations or authorization limitations and
12 in such further amounts as the Congress from time to time
13 determines in appropriation Acts. The amounts so author-
14 ized for loans and advances shall remain available until ex-
15 pended."

16 SEC. 503. Subsection (f) of section 3 of the Rural Elec-
17 trification Act, as amended, is repealed.

18 SEC. 504 502. If any provision of this Act is declared
19 unconstitutional, or the applicability thereof to any person or
20 circumstance is held invalid, the validity of the remainder of
21 this Act and the applicability thereof to other persons and
22 circumstances shall not be affected thereby.

April 2, 1962

HOUSE

17. APPROPRIATIONS. The Appropriations Committee reported (on Mar. 30) H. R. 11038, the second supplemental appropriation bill, 1962 (H. Rept. 1548), which includes items for ARS, AMS, and Forest Service (see table at end of this Digest for a summary of these items). The bill also includes \$25,000,000 for disaster relief assistance to States and local governments, \$17,000,000 for U. S. participation in the New York World's Fair, \$18,000 for salaries and expenses of the Delaware River Basin Commission, \$5,000,000 additional capital for the GSA general supply fund to provide for increased sales, and \$85,000,000 increased capital for the revolving fund of the Small Business Administration.
Conferees were appointed on H. R. 10526, the Treasury-Post Office Department and Executive Office of the President appropriation bill (p. 5060). Senate conferees have already been appointed.
Received from the President an amendment to the budget for 1963 involving an increase of \$6 million for the civil functions of the Department of the Army (H. Doc. 378). p. 5160
Received from the President amendments to the budget for 1963 involving a net decrease of \$265,000 for civil functions of the Corps of Engineers, Department of the Army (H. Doc. 379). p. 5160
18. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Dairy and Poultry of the Agriculture Committee "ordered reported favorably to the full committee title III /on marketing orders/ (amended), of H. R. 10010, the general farm bill. Also ordered reported subtitle C /on dairy/ (amended), of title IV, without recommendation." p. D235
19. LIVESTOCK DISEASES. Passed under suspension of the rules S. 860, to grant the Secretary of Agriculture additional authority to provide greater protection against the introduction and dissemination of diseases of livestock and poultry. pp. 5121-4
20. PERISHABLE COMMODITIES. Passed under suspension of the rules S. 1037, to amend the provisions of the Perishable Agricultural Commodities Act regarding fees, oral hearings, and relicensing. pp. 5124-6
21. SCHOOL LUNCH PROGRAM. At the request of Rep. Ford, passed over without prejudice H. R. 8962, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. p. 5061
22. FORESTRY. Passed with an amendment H. R. 9822, to provide that lands within a national forest acquired under section 8 of the Act of June 28, 1934, as amended (43 U.S.C. 315g), may be added to the national forest. p. 5061
23. WILDLIFE. Passed as reported H. J. Res. 489, to provide protection for the golden eagle. pp. 5062-6
24. HONEYBEES. Passed without amendment H. R. 8050, to prohibit the importation of all honeybees of the genus *Apis* in the adult stage except for research purposes by this Department or as the Secretary shall determine. p. 5078
25. WEIGHTS AND MEASURES. At the request of Rep. Gross, passed over without prejudice H. R. 2049, to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the U. S. of the metric system of weights and measures. p. 5061

26. LOANS. Passed as reported H. R. 946, to extend to oyster planters the benefits of the provisions of the present law which provides for production disaster loans for farmers and stockmen. pp. 5078-9
27. FOREIGN TRADE. On objection of Rep. Curtis, Mo., passed over H. R. 10788, to amend section 204 of the Agricultural Act of 1956 to authorize the President to extend import-export controls to non-participants in multilateral cotton textile agreements. pp. 5079-80
28. RESEARCH. At the request of Rep. Ford, passed over without prejudice H. R. 6984, to provide for a method of payment of indirect costs of research and development contracted by the Federal Government at universities, colleges, and other educational institutions. pp. 5080-1
29. BUDGETING. Passed without amendment H. R. 10613, to repeal subsection (d) of section 16 of the Administrative Expenses Act of 1946 which requires detailed budget estimates for appropriations to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft. p. 5081
30. PERSONNEL; TRANSPORTATION. Passed without amendment H. R. 10652, to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another. p. 5081
31. BANKING. By a vote of 255 to 94, passed under suspension of the rules H. R. 10162, to amend the Bretton Woods Agreements Act to authorize the U. S. to participate in loans to the International Monetary Fund to strengthen the international monetary system. pp. 5086-99
32. RECREATION. Passed under suspension of the rules H. R. 1171, to increase the public benefits from the national fish and wildlife conservation areas through their incidental or secondary use for public recreation. pp. 5099-102
33. TERRITORIES. Passed under suspension of the rules H. R. 10062, to extend the application of certain laws to American Samoa including extension of the provisions of the National School Lunch Act to Samoa, and authorizing the head of any Federal department to extend to American Samoa, without reimbursement, such scientific, technical, and other assistance under any program which it administers as, in the judgment of the Governor, will promote the welfare of American Samoa (pp. 5127-8). The committee report includes the following statement regarding costs: "The bill provides for no increase in authorized appropriations. The amount of aid which may be requested under section 1 of the bill is limited to \$150,000 a year ... Other items in the bill will be charged to regular departmental appropriations as need occurs."
34. EDUCATION. The Education and Labor Committee reported without amendment H. R. 10896, the proposed Adult Basic Education Act of 1962 (H. Rept. 1551). p. 5161

ITEMS IN APPENDIX

35. FOREIGN CURRENCIES. Extension of remarks of Rep. Findley stating that "an \$86 million assist to the U. S. gold problem is possible as the result of new Public Law 480 agreements which utilize a new feature of the law." pp. A2509-10

[COMMITTEE PRINT NO. 8]

April 3, 1962

MARKETING ORDERS

(As approved by the Dairy and Poultry Subcommittee

April 2, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE III—MARKETING ORDERS

2 SEC. 301. The Agricultural Adjustment Act, as reen-
3 acted and amended by the Agricultural Marketing Agree-
4 ment Act of 1937, as amended, is further amended as
5 follows:

6 ~~(1)~~ Section 8c(5) ~~(G)~~ is amended by striking the
7 period at the end thereof and adding the following: "on
8 the basis of where such milk was produced."

9 ~~(2)~~ Section 8c(6) is amended by striking sub-
10 paragraph ~~(I)~~ thereof and section 8c(7) is amended

by adding at the end thereof the following by amending paragraph (I) thereof to read as follows:

“(E) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such projects to be paid from funds collected under section 10 pursuant to the marketing order, except that in the case of orders applicable to milk or its products the order may provide that each producer whose milk is regulated thereby shall pay to any authority or agency established under such order his pro rata share (as approved by the Secretary) of the expenses of such projects, and for the purposes of collecting such funds producers shall be deemed handlers subject to the order: “(I) Establishing or providing for the establishment of the research in marketing, distribution, new uses and in nutrition; for the establishment of domestic and foreign market expansion projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such project to be paid from funds collected pursuant to the marketing order: Provided, That no

1 provision proposed for inclusion in an order pur-
2 suant to this subparagraph shall become effective
3 unless the order is otherwise approved by producers
4 and producer approval of the provision under this
5 subparagraph is separately determined as provided
6 in paragraphs (8), (9), (12), and (19) of this
7 section, but failure to approve such provisions shall
8 not affect the remainder of any order otherwise
9 approved."

10 ~~(3)~~ Section 8e(18) is amended by adding a new
11 sentence at the end thereof as follows: "Notwithstand-
12 ing the foregoing, this paragraph shall not be applicable
13 for any period when producer allotments under section
14 8f are in effect under the order: *Provided*, That in such
15 periods in effectuating the policy under subsections
16 2 (1) and (2) of this title the Secretary in establishing
17 the prices for milk used for fluid purposes shall take into
18 account these factors: (1) the current levels of such
19 prices; (2) adjustments in supply; (3) the relationship
20 between such prices and the prices paid for milk for
21 manufacturing and for other alternative or substitute
22 supplies; and (4) the need for assuring an adequate
23 supply of milk for consumers in the marketing area at
24 reasonable cost."

25 ~~(4)~~ By adding a new section 8f as follows:

1 “SEC. 8f. Notwithstanding any other provision of this
2 title—

3 “(1) any order issued under section 8e of this title
4 applicable to turkeys or turkey hatching eggs may, in
5 addition to, or in lieu of, the provisions in sections 8e (6)
6 and (7), contain provisions allotting, or providing
7 methods for allotting, the amount of such commodity or
8 product, or any grade, size, or quality thereof, which
9 each producer may be permitted to market or dispose of
10 in any or all markets or use classifications during any
11 specified period or periods on the basis of (i) the amount
12 produced or marketed by such producer or produced on
13 or marketed from the farm on which he is a producer in
14 such prior period as the Secretary of Agriculture deter-
15 mines to be representative, subject to such adjustment
16 for abnormal conditions and other factors affecting pro-
17 duction or marketing as the Secretary may determine,
18 or (ii) the current quantities available for marketing by
19 such producer, or (iii) any combination of (i) and (ii),
20 to the end that the total allotment during any specified
21 period or periods shall be apportioned equitably among
22 producers. Allotments hereunder may be in terms of
23 quantities or other production units. If the Secretary
24 determines that such action will facilitate the adminis-
25 tration of a marketing order hereunder he may fix, or

1 provide a method for fixing, a minimum allotment ap-
2 plicable to producers whose marketings in the aggregate
3 will not substantially impair the effective operation of
4 the order and such producers shall not be subject to the
5 regulatory provisions of the order except as prescribed
6 therein;

7 “(2) in the case of milk and its products any order
8 issued under section 8e of this title may, in addition to,
9 or in lieu of, the provisions in sections 8e (5) and (7)
10 contain one or more of the following terms and con-
11 ditions:

12 “(A) Allotting or providing methods for allot-
13 ting the total amount of milk which each producer
14 may market or dispose of not subject to paragraph
15 (B) hereof during any specified period or periods on
16 the basis of the amount marketed by such producer
17 in such prior period as the Secretary of Agriculture
18 determines to be representative, subject to such ad-
19 justment for abnormal conditions and other factors
20 affecting production or marketing as the Secretary
21 may determine to be appropriate to the end that
22 such allotments shall be apportioned equitably
23 among producers.

1 “(B) During any period or periods when pro-
2 ducer allotments are in effect, apportioning, or pro-
3 viding methods for apportioning the total value of
4 milk purchased by any handler or by all handlers
5 so that each producer who exceeds his allotment
6 shall receive for such excess a price which the Secre-
7 tary determines will tend to discourage the produc-
8 tion and marketing of such excess but which shall
9 not be less than 25 per centum of the lowest classified
10 use price established under the order for the period
11 or periods in question.

12 “(C) In the case of producers subject to allot-
13 ments under an order who deliver a portion of their
14 milk to persons not fully regulated by the order,
15 reducing or providing methods for reducing the
16 allotment of, or payments to be received by, any
17 such producer to compensate for any marketings of
18 excess milk to such other persons for such period
19 or periods as necessary to insure equitable partic-
20 ipation in marketings among all producers, and
21 providing for such reports and the keeping of such
22 books and records by the producer and by the per-
23 son or persons to whom he may dispose of such
24 other milk as the Secretary may prescribe.

25 “(D) Whenever national marketing allotments

are in effect for milk pursuant to any other statute of the United States, coordinating or providing methods for coordinating any payments made or fees assessed on excess milk pursuant to such Act and the price of or payment for excess milk pursuant to the terms of the order, and facilitating the administration of such national allotments.

“(3) the Secretary shall suspend or revoke any provisions establishing allotments for milk producers under an order whenever he finds that the interests of consumers are not being protected under the order by reason of (i) the levels of prices being paid for the various uses of milk in such area exceed generally and for a representative period of time the levels of minimum prices prescribed by the Secretary for such uses in the area, or (ii) supplies of milk for the market area have been reduced to quantities which may endanger an adequate supply of milk for such area, giving full consideration to the reserves essential to and normal for such area;

“(4) in case producer allotments for milk are in effect pursuant to this section, no handler, including a cooperative association, shall make payment to a producer on milk marketed in excess of his allotment, at a rate other than that prescribed for such excess milk;

1 “(5) the authorization for provisions contained in
2 section ~~8c(7)-(D)~~ shall be applicable to orders con-
3 taining provisions under this section with the same force
4 and effect as though this section was specified therein;

5 “(6) a producer for whom an allotment is estab-
6 lished shall be deemed a handler subject to the order
7 for purposes of sections ~~8c(14)~~, ~~8c(15)-(B)~~, ~~8d~~, and
8 ~~10(b)-(2)~~ of this title;

9 “(7) any producer for whom an allotment is es-
10 tablished under the authority of this section may obtain
11 a review of the lawfulness of his allotment as prescribed
12 by the order of the Secretary establishing the allotment
13 and rules and regulations thereunder, which shall con-
14 stitute the exclusive procedure for review thereof and
15 section ~~8c(15)-(A)~~ of this title shall not apply thereto.
16 Under such order, rules, or regulations any officers or
17 employees of the Department or any committees or
18 boards created or designated by the Secretary of Agricul-
19 ture may be vested with authority to perform any or all
20 functions in connection with such review proceedings,
21 including ruling thereon. Committees or boards
22 created or designated for this purpose shall be deemed
23 agencies of the Secretary within the meaning of sub-
24 section ~~8c(7)-(C)~~ and section 10 of this title. The
25 ruling upon such review shall be final if in accordance

1 with law. The producer may obtain a judicial review
2 of such ruling in accordance with the provisions of
3 section ~~8c(15)-(B)~~ of this title;

4 “~~(8)~~ when allotments for producers of turkeys or
5 turkey hatching eggs are established under this section
6 the order may contain provisions allotting or providing
7 a method for allotting the quantity which any handler
8 may handle so that any and all handlers will be limited
9 as to each producer to the quantity allotted to each
10 producer, and such allotment shall constitute an allot-
11 ment fixed for each handler within the meaning of
12 section ~~8a(5)~~ of this title.”

13 ~~(5)~~ By adding a new section 8g as follows:

14 “~~SEC. 8g.~~ Proposals for producer allotment provisions
15 under section 8f in an order with respect to milk or its
16 products shall not be considered with respect to application
17 thereof to an area where provisions under section ~~8c(5)~~ are
18 already in effect unless there is simultaneous consideration of
19 the need for changes in the existing order to coordinate it
20 with the proposed provisions. Producer approval shall be
21 determined for the order resulting from the combined pro-
22 posal and disapproval thereof shall not affect the existing
23 order previously approved.”

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[COMMITTEE PRINT NO. 9]

April 3, 1962

DAIRY

(As approved by the Dairy and Poultry Subcommittee

April 2, 1962)

H. R. 10010

TITLE IV—COMMODITY PROGRAMS

(Substitute the Following for Subtitle C, Pages 82 Through 102 of
H.R. 10010)

1 *SUBTITLE C—DAIRY*

2 *SEC. 430. The current rate of production and marketing*
3 *of milk in the continental United States, excluding Alaska,*
4 *is such as will result in excessive and burdensome supplies*
5 *of milk and other dairy products during the marketing year*
6 *ending March 31, 1963.*

7 *In order to afford producers the opportunity and the*
8 *means by which they can on a compensated basis voluntarily*
9 *adjust their marketings of milk during the marketing year*
10 *ending March 31, 1963, more nearly to equal demand and*

1 *thus reduce Government purchases under its price support*
2 *program, the Secretary is hereby authorized, through the*
3 *Commodity Credit Corporation, to carry out for the market-*
4 *ing year ending March 31, 1963, an emergency dairy sur-*
5 *plus reduction payments program as set forth in the following*
6 *sections of this subtitle.*

7 *SEC. 431. The Commodity Credit Corporation is hereby*
8 *authorized to make surplus reduction payments to producers*
9 *in continental United States, excluding Alaska, who agree*
10 *to reduce, during any one or more quarterly marketing*
11 *periods of the marketing year ending March 31, 1963, their*
12 *marketings to a level not (i) less than $7\frac{1}{2}$ per centum or*
13 *(ii) more than the larger of 25 per centum or seven thou-*
14 *sand five hundred pounds of milk below their normal*
15 *marketing levels established pursuant to section 434 of this*
16 *Act for each such quarterly marketing period: Provided,*
17 *That Commodity Credit Corporation shall, to the maximum*
18 *extent practicable, limit such agreements so as not to effect*
19 *adjustments in any dairy district in excess of 10 per centum*
20 *of the estimated total marketings by all producers in such*
21 *district during the preceding marketing year. For this pur-*
22 *pose, the Secretary shall divide the continental United States,*
23 *excluding Alaska, into fifteen dairy districts each having*
24 *therein approximately the same proportion of total milk pro-*
25 *duction. Such payments shall not exceed (i) \$2.50 per*

1 hundredweight of milk, basis 3.82 per centum butterfat con-
2 tent, (ii) such rates as the Secretary determines will effec-
3 tuate voluntary reduction in marketings by producers, or
4 (iii) the cost of acquiring such milk in the form of dairy
5 products had such milk been marketed. A producer who fails
6 to reduce his marketings to the extent required by his agree-
7 ment shall be eligible to the surplus reduction payment on the
8 quantity by which he actually reduced his marketings below
9 his normal marketing level, but the amount of such payment
10 shall be reduced by an amount equal to 20 per centum of
11 what would have been the payment on the quantity of milk
12 which he failed to reduce. Agreements entered into here-
13 under may contain such terms and conditions as the Secretary
14 determines necessary to effectuate the purposes of the emer-
15 gency dairy surplus reduction payments program.

16 SEC. 432. The Secretary shall establish a normal mar-
17 keting level for each producer in the continental United States,
18 excluding Alaska, who desires to enter into an agreement
19 with Commodity Credit Corporation pursuant to section 433
20 of this Act. Such normal marketing level shall be the number
21 of pounds of milk, or the number of pounds of milk fat, or
22 such other unit of dairy products as the Secretary may deem
23 appropriate for the administration of this subtitle, which the
24 producer disposed of in commercial channels during the cal-
25 endar year 1961. The Secretary shall make such adjust-

1 *ments in a normal marketing level established hereunder as*
2 *he deems necessary for flood, drought, disease of herd, per-*
3 *sonal health, or other abnormal conditions affecting produc-*
4 *tion or marketing, including the fact that the producer may*
5 *have commenced production and marketing after January 1,*
6 *1961. A producer's normal marketing level for the mar-*
7 *keting year shall be apportioned by the Secretary among*
8 *quarterly marketing periods thereof in accordance with the*
9 *producer's marketing pattern in 1961, subject to such ad-*
10 *justments as the Secretary determines necessary to enable the*
11 *producer to carry out his herd management plans for the*
12 *marketing year. The quantity thus apportioned to a quar-*
13 *terly marketing period shall be the producer's normal mar-*
14 *keting level for such period.*

15 *SEC. 433. The Secretary shall prescribe such conver-*
16 *sion factors as he deems necessary for use in determining*
17 *the quantity of milk marketed by producers who market*
18 *their milk in the form of farm-separated cream, butterfat,*
19 *and other dairy products.*

20 *SEC. 434. The quality of milk reduced by a producer*
21 *pursuant to his agreement under this Act shall be considered*
22 *as having been produced and marketed by him for the purpose*
23 *of determining his production of marketing history under*
24 *any farm program in which such history may become a*
25 *factor. A producer may, to such extent and subject to such*

1 terms and conditions as the Secretary may prescribe, trans-
 2 fer his normal marketing level, or any part thereof, to any
 3 other producer or prospective new producer who agrees to
 4 utilize such normal marketing level for the disposition in
 5 commercial channels of milk, butterfat, or dairy products
 6 produced in the same State as that in which the transferor
 7 engaged in production or any State adjacent thereto. A
 8 producer who moves from one area to another and there
 9 engages in the production and marketing of milk may take
 10 with him all or any portion of his normal marketing level.

11 SEC. 435. (a) The Secretary shall prescribe such regu-
 12 lations as are necessary for the enforcement and the effective
 13 administration of this subtitle.

14 (b) Costs incurred in the carrying out of the provisions
 15 of this subtitle shall be borne by the Commodity Credit Cor-
 16 poration and shall be considered as nonadministrative ex-
 17 penses of the Corporation.

18 SEC. 436. Whenever normal marketing levels are estab-
 19 lished under this subtitle, notwithstanding any provision of
 20 the Agricultural Marketing Agreement Act of 1937 (7
 21 U.S.C. 601 et seq.), the Secretary shall issue orders amend-
 22 ing existing marketing orders under such Act, to provide, and
 23 include in any new order a provision providing, for an ad-
 24 justment in the uniform price for producers receiving surplus

1 reduction payments for marketings below their normal mar-
2 keting level. The total payments to such producers under an
3 order shall be equal to (1) the uniform price multiplied by
4 their normal marketing level minus (2) the lowest class price
5 under the order multiplied by the amount by which such
6 producers have reduced marketings below their normal
7 marketing level. In the computation of the uniform price
8 there shall be included, at the lowest class price, the volume of
9 milk upon which producers will be entitled to marketing
10 adjustment payments. The amendments to orders provided
11 for herein shall become effective upon publication of the Sec-
12 retary's order in the Federal Register or such later date as
13 may be provided for in the order and shall not be subject to
14 the requirements for hearing, producer approval, or other
15 procedural requirements relating to the issuance of marketing
16 orders or amendments thereto under the Agricultural Market-
17 ing Agreement Act of 1937. For the purposes of this section
18 a producer's normal marketing level shall be apportioned on
19 a monthly basis. In the case of a producer part of whose
20 normal marketing level is based on marketings which were not
21 subject to regulation under the order during the representative
22 period the Secretary shall apportion such producer's normal
23 marketing level in accordance with his deliveries of milk in
24 such representative period and the reduction in deliveries
25 from the amount apportioned to the marketing area shall be

7

- 1 *considered in the calculation of the uniform price and pay-*
- 2 *ment under such order.*

EXPLANATION OF SUBSTITUTE—EMERGENCY DAIRY SURPLUS REDUCTION PAYMENTS PROGRAM

The substitute adopted by the Dairy and Poultry Subcommittee establishes a one-year emergency dairy program with the following provisions:

1. Price supports would continue at 75 per centum of parity;
2. Payments up to \$2.50 per hundredweight would be made to milk producers who agree voluntarily to reduce marketings of milk by a minimum of 7½ per centum to a maximum of 25 per centum or thirty thousand pounds per year, whichever is greater, below their normal marketing level based on marketings of milk in 1961;
3. The cooperating producer's normal marketing level would be subdivided into quarterly marketing periods, with payments made at the end of each period;
4. The cooperating producer's production and marketing history would be preserved at the full 1961 normal marketing level for the purpose of any farm program, and could be transferred voluntarily to another producer;
5. To prevent distortion of normal production and marketing patterns, agreements to reduce production within each of fifteen dairy marketing districts shall be limited to 10 per centum of the total marketings of milk in each such district in 1961;
6. Producers marketing milk under Federal milk marketing orders would be affected exactly the same as other producers. They would be permitted, however, to credit all of their reduction in marketings against surplus class milk, and thereby retain their full share of the class I value of the pool as if their total deliveries had not been reduced.
7. Surplus reduction payments would be made quarterly on evidence of reduced marketings by producers who have signed agreements. Marketings in excess of the producer's agreement during any marketing period, and for the marketing year as a whole, would subject the producer to forfeiture of the surplus reduction payment he would have earned on the excess, plus 20 per centum, but he would be entitled to the balance of the surplus reduction payment on the amount by which his production was actually reduced. Producers who fail to reduce in one quarter to the full extent of their agreement could offset such excess marketings against additional reductions in a subsequent quarter, and thereby recover the full surplus reduction payment plus 20 per centum forfeited in the earlier quarter.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 6, 1962
For actions of April 5, 1962
87th-2d, No. 53

CONTENTS

Acreage allotments.....3	Cotton.....3	Milk.....23
Adjournment.....8,17	Farm program.....1,31	Peace Corps.....15,18
Appropriations..7,13,16,22	Flood insurance.....5	Personnel.....10
ASC committees.....10,19	Foreign trade.....2,7,25	Purchasing.....4
Budget.....24	Forestry.....11,28	River basin.....16
Buildings.....30	Grain.....20	Small business.....26
ilk commodities.....9	Imports.....7,29	Taxation.....27
Civil defense.....14	Lands.....21,28	Textiles.....2
Claims.....13	Legislative program.....7	Transportation.....6,9
Contracts.....4	Manpower development....16	Watersheds.....12

HIGHLIGHTS: House committee approved wheat section of farm bill. Both Houses received President's transportation message. House Rules Committee cleared bill for agricultural import restrictions on nonparticipating countries in multilateral trade agreements. Sen. Williams, Del., criticized ASC committee meeting in Washington.

HOUSE

1. **FARM PROGRAM.** The "Daily Digest" states that the Agriculture Committee "Met in executive session and approved the wheat section (amended) of H. R. 10010, the general farm bill." p. D245

2. **FOREIGN TRADE.** The Rules Committee reported a resolution for the consideration of H. R. 10788, to amend section 204 of the Agricultural Act of 1956 to authorize the President to regulate imports of agricultural commodities, including textiles and textile products, from agreements. p. 5550

Passed as reported H. R. 6682, to provide for the exemption of fowling nets from duty. pp. 5506-7

Rep. Derounian inserted a statement by the Man-Made Fiber Producers Association, Inc. in opposition to H. R. 9900, the proposed Trade Expansion Act of 1962. pp. 5542-9

3. COTTON. Passed without amendment H. R. 11027, to amend the Agricultural Adjustment Act of 1938 so as to extend to the 1962 crop the authority to permit operators of farms with flooded-out cotton acreage to transfer cotton acreage allotments to another farm operated by the same farmer in the same or an adjoining county. p. 5508
4. PURCHASING. The Education and Labor Committee reported without amendment H. R. 10786, to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the U. S. for any territory (H. Rept. 1553), and H. R. 10946, to amend the Davis-Bacon Act to define the term "wages" as used in the Act (H. Rept. 1554). p. 5550
5. FLOOD INSURANCE. Rep. Wallhauser inserted a resolution from the New Jersey legislature memorializing Congress to enact legislation to implement the Federal Flood Insurance Act of 1956. p. 5534
6. TRANSPORTATION. Rep. Harris discussed the President's transportation message, and inserted a statement regarding the 75th anniversary of the ICC. pp. 5515-6
Rep. Van Zandt discussed the transportation message, saying, "Although some of us may disagree as to detail, we would all agree ... with the central thesis of the President's message." pp. 5538-4
7. LEGISLATIVE PROGRAM. Rep. Albert announced that H. R. 10788, to amend section 204 of the Agriculture Act of 1956 relating to the regulation of agricultural and textile imports will be considered on Tues., Apr. 10, and the legislative appropriation bill for 1963 on Wed., Apr. 11. p. 5532
8. ADJOURNED until Mon., Apr. 9. p. 5550

SENATE

9. TRANSPORTATION. Both Houses received the President's message on transportation in which he recommended removal of the exemption from rate regulation by ICC of the transportation of bulk commodities by water carriers; recommended extension to all carriers (rather than only to motor carriers and freight forwarders) the exemption from minimum rates for the transportation of agricultural and fishery products; proposed legislation to assure all carriers the right to ship vehicles or containers on the carriers of other branches of the transportation industry at the same rates available to noncarrier shippers, to repeal the provision of the Interstate Commerce Act which prevents a railroad from hauling cargo it owns, and to direct the regulatory agencies to sanction experimental freight rates, modifications and variations in existing systems of classification and documentation, and new kinds or combinations of service; stated that he was directing Federal agencies, in meeting their own transport needs, to use authorized commercial facilities in all modes of transportation within the limits of economical and efficient operations; urged that Congress declare as a matter of public policy that through rates and joint rates should be vigorously encouraged and authorize all transportation agencies to participate in joint boards; recommended that all common carriers, including freight forwarders and motor carriers, be required to pay reparations to shippers charged unlawfully high rates; recommended that the civil penalty now imposed on motor carriers for failure to file required reports be substantially increased; stated that he had directed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued April 10, 1962
For actions of April 9, 1962
87th-2d, No. 54

CONTENTS

Appropriations.....2	Information.....20	REA.....20
Budget.....18	Land conservation.....26	Reclamation.....4,24
Dairy.....12,21	Lands.....3,8,26	Recreation.....6,25
Electrification.....20	Milk price supports.....12	Roads.....9
Farm program.....1,17	Peace Corps.....7	Saline water.....13
Foreign aid.....5	Perishable commodities.....23	Surplus commodities.....11
Foreign trade.....11,19	Potatoes.....14	Transportation.....15
Forestry.....6	Prices.....22	Virgin Islands.....10
Highways.....9	Public Law 480.....11	Youth conservation.....16

HIGHLIGHTS: House committee approved land-use adjustment, Public Law 480, FHA, and feed grains titles of farm bill. House committee reported legislative branch appropriation bill. Senate received from Interior proposed bill on outdoor recreation.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "continued executive consideration of H.R. 10010, the general farm bill, and approved title I (amended, regarding land-use adjustment); title II (amended, regarding trade development); and title V (amended, regarding the consolidated Farmers Home Administration). On Friday, April 6, the committee approved sub-title A of title IV (feed grains) of H.R. 10010." p. D259
2. APPROPRIATIONS. On Fri., Apr. 6 (during adjournment of the House), the Appropriations Committee reported H. R. 11151, the legislative branch appropriations bill for 1963 (H. Rept. 1557). p. 5663
3. PUBLIC LANDS. Received from Interior a proposed bill "to permit applications for entry under the public land agricultural laws to be filed only for lands designated as open to such application"; to Interior and Insular Affairs Committee. p. 5663
4. RECLAMATION. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 9647, to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District. p. D259

5. FOREIGN AID. Rep. Harsha discussed the utilization of foreign aid funds, saying, "a much needed reappraisal of our foreign aid program is long overdue. Unless we call a halt to this stockpiling of foreign aid funds and put some rigid controls on our generosity, we are soon going to find the dollar valueless." pp. 5659-60

SENATE

6. FORESTRY; OUTDOOR RECREATION. Received from Interior a proposed bill "to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and to provide financial assistance to the States for outdoor recreation planning, and for other purposes"; to Interior and Insular Affairs Committee. p. 5642
7. PEACE CORPS. The Foreign Relations Committee reported (on Apr. 6) with amendment S. 2935, to amend the Peace Corps Act (S. Rept. 1325). p. 5644
8. PUBLIC LANDS. The Public Lands Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. 2537, to provide for the addition of certain public lands to the Craters of the Moon National Monument, Idaho. p. D258
9. ROADS. Both Houses received from Commerce a proposed bill "to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways"; to H. Public Works and S. Commerce Committees. pp. 5642, 5663
10. VIRGIN ISLANDS. Both Houses received from the President a proposed bill "to provide for the popular election of the Governor and Government Secretary of the Virgin Islands, for the transfer to the Government of the Virgin Islands of the assets and obligations of the Virgin Islands Corporation, and for other purposes"; to H. and S. Interior and Insular Affairs Committees. pp. 5642, 5663
11. SURPLUS COMMODITIES; FOREIGN TRADE. Both Houses received from the President the 15th semiannual report on activities carried on under Public Law 480 (H. Doc. 385). pp. 5641, 5656
12. MILK PRICE SUPPORTS. Received a Calif. Legislature resolution opposing the lowering of price supports on milk and butterfat. p. 5642
13. SALINE WATER. Received a Calif. Legislature resolution urging the selection of Antioch, Calif., as a site for an experimental saline water conversion plant. p. 5642
14. POTATOES. Sens. Mansfield, Engle, Jordan, Ervin, Carroll, and Smith (Mass.) were added as additional cosponsors of S. 3050, to provide for marketing quotas and acreage allotments on Irish potatoes. p. 5644
15. TRANSPORTATION. Received from ICC a supplemental report on ICC activities, 1937-62. p. 5642
- In his message of April 5 on transportation the President expressed preference for extension of the present bulk commodities exemption, which now applies only to inland waterways, to trucks and railroads, and extension of the agricultural commodities exemption, which now applies only to motor carriers, to railroads and barges. (This is in lieu of the first statement, regarding bulk commodities, in Digest 53, item 9.)

[COMMITTEE PRINT NO. 10]

April 9, 1962

WHEAT

(As approved by the Committee on Agriculture April 5, 1962)

H. R. 10010

[Omit the part struck through and insert the part printed in italic]

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE B—WHEAT

3 SEC. 410. Section 331 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by striking out
5 the last paragraph thereof and inserting in lieu thereof the
6 following paragraphs:

7 “Wheat which is planted and not disposed of prior to the
8 date prescribed by the Secretary for the disposal of excess
9 acres of wheat is an addition to the total supply of wheat
10 and has a direct effect on the price of wheat in interstate and
11 foreign commerce and may also affect the supply and price

1 of livestock and livestock products. In the circumstances,
2 wheat not disposed of prior to such date must be considered
3 in the same manner as mechanically harvested wheat in order
4 to achieve the policy of the Act.

5 “The diversion of substantial acreages from wheat to
6 the production of commodities which are in surplus supply or
7 which will be in surplus supply if they are permitted to be
8 grown on the diverted acreage would burden, obstruct, and
9 adversely affect interstate and foreign commerce in such
10 commodities, and would adversely affect the prices of such
11 commodities in interstate and foreign commerce. Small
12 changes in the supply of a commodity could create a sufficient
13 surplus to affect seriously the price of such commodity in
14 interstate and foreign commerce. Large changes in the sup-
15 ply of such commodity could have a more acute effect on the
16 price of the commodity in interstate and foreign commerce
17 and, also, could overtax the handling, processing, and trans-
18 portation facilities through which the flow of interstate and
19 foreign commerce in such commodity is directed. Such ad-
20 verse effects caused by overproduction in one year could
21 further result in a deficient supply of the commodity in the
22 succeeding year, causing excessive increases in the price of
23 the commodity in interstate and foreign commerce in such
24 year. It is, therefore, necessary to prevent acreage diverted
25 from the production of wheat to be used to produce commodi-

1 ties which are in surplus supply or which will be in surplus
2 supply if they are permitted to be grown on the diverted
3 acreage.

4 “The provisions of this part affording a cooperative
5 plan to wheat producers are necessary in order to mini-
6 mize recurring surpluses and shortages of wheat in inter-
7 state and foreign commerce, to provide for the maintenance of
8 adequate reserve supplies thereof, to provide for an adequate
9 and orderly flow of wheat and its products in interstate and
10 foreign commerce at prices which are fair and reasonable
11 to farmers and consumers, and to prevent acreage diverted
12 from the production of wheat from adversely affecting other
13 commodities in interstate and foreign commerce.”

14 SEC. 411. Section 332 of the Agricultural Adjustment
15 Act of 1938, as amended, is hereby amended by striking out
16 the provisions of such section and by inserting in lieu thereof
17 the following:

18 “NATIONAL MARKETING QUOTA

19 “SEC. 332. (a) Whenever prior to April 15 in any
20 calendar year the Secretary determines that the total supply
21 of wheat in the marketing year beginning in the next succeed-
22 ing calendar year will, in the absence of a marketing quota
23 program, likely be excessive, the Secretary shall proclaim
24 that a national marketing quota for wheat shall be in effect for
25 such marketing year and for either the following marketing

1 year or the following two marketing years, if the Secretary
2 determines and declares in such proclamation that a two-
3 or three-year marketing quota program is necessary to effec-
4 tuate the policy of the Act.

5 “(b) If a national marketing quota for wheat has been
6 proclaimed for any marketing year, the Secretary shall
7 determine and proclaim the amount of the national market-
8 ing quota for such marketing year not earlier than January 1
9 or later than April 15 of the calendar year preceding
10 the year in which such marketing year begins. The amount
11 of the national marketing quota for wheat for any marketing
12 year shall be an amount of wheat which the Secretary esti-
13 mates (i) will be utilized during such marketing year for
14 human consumption in the United States as food, food prod-
15 ucts, and beverages, composed wholly or partly of wheat,
16 (ii) will be utilized during such marketing year in the United
17 States for seed, (iii) will be exported either in the form of
18 wheat or products thereof, and (iv) as the average amount
19 which was utilized as livestock (including poultry) feed in
20 the marketing years beginning in 1959 and 1960; less
21 (A) an amount of wheat equal to the estimated imports of
22 wheat into the United States during such marketing year and,
23 (B) if the stocks of wheat owned by the Commodity
24 Credit Corporation are determined by the Secretary to be

1 excessive, an amount of wheat, not to exceed 16 per centum
2 of items (i), (ii), (iii), and (iv) above, determined by the
3 Secretary to be a desirable reduction in such marketing year
4 in such stocks to achieve the policy of the Act: *Provided*,
5 That if the Secretary determines that the total stocks of
6 wheat in the Nation are insufficient to assure an adequate
7 carryover for the next succeeding marketing year, the na-
8 tional marketing quota otherwise determined shall be in-
9 creased by the amount the Secretary determines to be
10 necessary to assure an adequate carryover.

11 “(c) If, after the proclamation of a national marketing
12 quota for wheat for any marketing year, the Secretary has
13 reason to believe that, because of a national emergency or
14 because of a material increase in the demand for wheat, the
15 national marketing quota should be terminated or the amount
16 thereof increased, he shall cause an immediate investigation
17 to be made to determine whether such action is necessary
18 in order to meet such emergency or increase in the demand
19 for wheat. If, on the basis of such investigation, the Secre-
20 tary finds that such action is necessary, he shall immediately
21 proclaim such finding and the amount of any such increase
22 found by him to be necessary and thereupon such national
23 marketing quota shall be so increased or terminated. In case
24 any national marketing quota is increased under this sub-

1 section, the Secretary shall provide for such increase by
2 increasing acreage allotments established under this part by a
3 uniform percentage.”

4 SEC. 412. Section 333 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended to read as fol-
6 lows:

7 “NATIONAL ACREAGE ALLOTMENT

8 “SEC. 333. Whenever the amount of the national
9 marketing quota for wheat is proclaimed for any marketing
10 year, the Secretary at the same time shall proclaim a na-
11 tional acreage allotment for the crop of wheat planted for
12 harvest in the calendar year in which such marketing year
13 begins. The amount of the national acreage allotment for
14 any crop of wheat shall be the number of acres which the
15 Secretary determines on the basis of expected yields and
16 expected underplantings of farm acreage allotments will,
17 together with (1) the expected production of wheat
18 on the increases in acreage allotments for farms based upon
19 small-farm base acreages pursuant to section 335, and (2)
20 the expected production on increased acreages resulting from
21 the small-farm exemption pursuant to section 335, make
22 available a supply of wheat equal to the national marketing
23 quota for wheat for such marketing year.”

24 SEC. 413. Section 334 of the Agricultural Adjustment
25 Act of 1938, as amended, is further amended as follows:

1 (1) By striking out “ten” wherever it appears in
2 subsections (a) and (b) thereof and by inserting in
3 lieu thereof “five”.

4 (2) By amending subsection (e) thereof by in-
5 serting the following sentence immediately following
6 the eighth sentence thereof: “The land-use provisions
7 of section 339 shall not be applicable to any farm re-
8 ceiving an increased allotment under this subsection, and
9 the producers on such farm shall not be required to
10 comply with such provisions as a condition of eligibility
11 for price support.”

12 (3) By repealing subsection (g) thereof and by
13 redesignating subsections (h) and (i) thereof as (g)
14 and (h) respectively.

15 (4) By amending subsection (i) thereof, redesign-
16 ated by this section as subsection (h), by inserting the
17 following sentence immediately following the seventh
18 sentence thereof: “The land-use provisions of section 339
19 shall not be applicable to any farm receiving an addi-
20 tional allotment under this subsection.”

21 (5) By striking out of the last sentence of sub-
22 section (i) thereof (added by Public Law 87-357, 87th
23 Congress, 1st session), redesignated by this section as
24 subsection (h), “or 1963”.

GEOGRAPHICAL APPLICABILITY

2 SEC. 414. Part III of subtitle B of title III of the Agri-
3 cultural Adjustment Act of 1938, as amended, is hereby
4 amended by adding at the end of section 334 thereof the
5 following new subsection: “(j) This part III shall be appli-
6 cable to the continental United States excluding Alaska.”

7 SEC. 415. Section 335 of the Agricultural Adjustment
8 Act of 1938, as amended, is hereby amended to read as
9 follows:

“SMALL FARM EXEMPTION

“SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a base of fifteen acres or less (hereinafter called ‘small-farm base acreage’) if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1957, 1958, 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be con-

1 sidered for the purpose of establishing a fair and equitable
2 small-farm base acreage. If the owner or operator elects
3 to be subject to the farm acreage allotment and
4 marketing quota the acreage allotment for the farm shall
5 be the larger of (i) the allotment otherwise deter-
6 mined for the farm, or (ii) the small-farm base acreage for
7 the farm established on the basis of the crops for the calendar
8 years 1957, 1958, 1959, 1960, and 1961, reduced by
9 the same percentage by which the national acreage allotment
10 for the crop is reduced below fifty-five million acres. If
11 the owner or operator of any such farm fails to make such
12 election with respect to any crop of wheat, (i) for the pur-
13 poses of Public Law 74, Seventy-seventh Congress (7 U.S.C.
14 1340), as amended, the farm acreage allotment for such
15 crop of wheat shall be deemed to be the larger of the acreage
16 allotment or the small-farm base acreage determined for the
17 farm, (ii) the land-use provisions of section 339 shall be in-
18 applicable to the farm, (iii) such crop of wheat shall not be
19 eligible for price support, and (iv) wheat marketing certifi-
20 cates applicable to such crop shall not be issued with respect
21 to the farm. The additional acreage required to provide
22 acreage allotments for farms based upon small-farm base
23 acreages under this section shall be in addition to National,
24 State, and county acreage allotments.”

1 SEC. 416. Section 336 of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby amended to read as
3 follows:

4 "REFERENDUM

5 "SEC. 336. If a national marketing quota for wheat for
6 one, two, or three marketing years is proclaimed, the Secre-
7 tary shall, not later than sixty days after such proclamation
8 is published in the Federal Register, conduct a referendum,
9 by secret ballot, of farmers to determine whether they favor
10 or oppose marketing quotas for the marketing year or years
11 for which proclaimed. Any producer who has a farm acre-
12 age allotment shall be eligible to vote in any referendum
13 held pursuant to this section, except a producer who has a
14 small-farm base acreage for such crop of wheat and who
15 does not elect, pursuant to section 335, to be subject to the
16 farm marketing quota. The Secretary shall proclaim the re-
17 sults of any referendum held hereunder within thirty days
18 after the date of such referendum, and if the Secretary de-
19 termines that more than one-third of the farmers voting in
20 the referendum voted against marketing quotas, the Secre-
21 tary shall proclaim that marketing quotas will not be in effect
22 with respect to the crop of wheat produced for harvest in
23 the calendar year following the calendar year in which the
24 referendum is held. If the Secretary determines that two-
25 thirds or more of the farmers voting in a referendum approve

1 marketing quotas for a period of two or three marketing
 2 years, no referendum shall be held for the subsequent year or
 3 years of such period."

4 SEC. 417. Section 337 of the Agricultural Adjustment
 5 Act of 1938, as amended, is hereby amended by deleting
 6 the provisions thereof and substituting the following:

7 "SUBSTITUTION OF FEED GRAINS FOR WHEAT

8 "SEC. 337. Notwithstanding any other provision of law,
 9 the Secretary shall permit producers of feed grains to
 10 have acreage devoted to the production of feed grains consid-
 11 ered as devoted to the production of wheat and the Secre-
 12 tary shall permit producers of wheat to have acreage de-
 13 voted to the production of wheat considered as devoted to
 14 the production of feed grains, as the Secretary determines
 15 will not adversely affect the operation of this program."

16 SEC. 418. The Agricultural Adjustment Act of 1938,
 17 as amended, is hereby amended by adding after section 338 a
 18 new section as follows:

19 "LAND USE

20 "SEC. 339. (a) (1) During any year in which market-
 21 ing quotas for wheat are in effect, the producers on any farm
 22 (except a new farm receiving an allotment from the reserve
 23 for new farms) on which any crop is produced on acreage
 24 required to be diverted from the production of wheat shall
 25 be subject to a penalty on such crop, in addition to any

1 marketing quota penalty applicable to such crops, as pro-
2 vided in this subsection unless (i) the crop is designated by
3 the Secretary under the provisions of subsection (f) of this
4 section, or (ii) no wheat is produced on the farm, and the
5 producers have not filed an agreement or a statement of
6 intention to participate in the payment program formulated
7 pursuant to subsection (b) of this section. The acreage
8 required to be diverted from the production of wheat on the
9 farm shall be an acreage of cropland equal to the number
10 of acres determined by multiplying the farm acreage allot-
11 ment by the diversion factor determined by dividing the
12 number of acres by which the national acreage allotment is
13 reduced below fifty-five million acres by the number of acres
14 in the national acreage allotment. The actual production of
15 any crop subject to penalty under this subsection shall be
16 regarded as available for marketing and the penalty on such
17 crop shall be computed on the actual acreage of such crop
18 at the rate of 65 per centum of the parity price per bushel
19 of wheat as of May 1 of the calendar year in which such
20 crop is harvested, multiplied by the normal yield of wheat
21 per acre established for the farm. Until the producers on
22 any farm pay the penalty on such crop, the entire crop of
23 wheat produced on the farm and any subsequent crop of
24 wheat subject to marketing quotas in which the producer
25 has an interest shall be subject to a lien in favor of the United

1 States for the amount of the penalty. Each producer having
2 an interest in the crop or crops on acreage diverted or
3 required to be diverted from the production of wheat shall
4 be jointly and severally liable for the entire amount of the
5 penalty. The persons liable for the payment or collection of
6 the penalty under this section shall be liable also for interest
7 thereon at the rate of 6 per centum per annum from the date
8 the penalty becomes due until the date of payment of such
9 penalty.

10 “(2) The Secretary may require that the acreage on
11 any farm diverted from the production of wheat be land
12 which was diverted from the production of wheat in the
13 previous year, to the extent he determines that such require-
14 ment is necessary to effectuate the purposes of this subtitle.

15 “(3) The Secretary may permit the diverted acreage
16 to be grazed in accordance with regulations prescribed by
17 the Secretary.

18 “(b) The Secretary is authorized to formulate and carry
19 out a program with respect to the 1963, 1964, and 1965
20 crops of wheat under which, subject to such terms and con-
21 ditions as he determines are desirable to effectuate the pur-
22 poses of this section, payments shall be made in amounts
23 determined by the Secretary to be fair and reasonable with
24 respect to acreage diverted pursuant to subsection (a) of this
25 section. Payments shall be in an amount not to exceed the

1 estimated normal production of wheat for the acreage di-
2 verted, multiplied by 50 per centum of the estimated basic
3 county support rates for wheat in the case of the 1963 crop,
4 40 per centum of the estimated basic county support rate for
5 wheat in the case of the 1964 crop, and 30 per centum of
6 the estimated basic county support rate for wheat in the case
7 of the 1965 crop. The Secretary may permit producers on
8 any farm to divert from the production of wheat an acreage, in
9 addition to the acreage diverted pursuant to subsection (a),
10 equal to 20 per centum of the farm acreage allotment for
11 wheat: *Provided*, That the producers on any farm may, at
12 their election, divert such acreage in addition to the acreage
13 diverted pursuant to subsection (a), as will bring the total
14 acreage diverted on the farm to fifteen acres. Such program
15 shall require (1) that the diverted acreage shall be devoted to
16 conservation uses approved by the Secretary; (2) that the
17 total acreage of cropland on the farm devoted to soil-
18 conserving uses, including summer fallow and idle land but
19 excluding the acreage diverted as provided above, and acre-
20 age diverted under the land-use provisions for feed grains
21 pursuant to section 360j, shall be not less than the total
22 average acreage of cropland devoted to soil-conserving uses
23 including summer fallow and idle land on the farm during
24 a representative period, as determined by the Secretary,
25 adjusted to the extent the Secretary determines appropriate

1 for (i) abnormal weather conditions or other factors adversely
2 affecting production, (ii) established crop-rotation practices
3 on the farm, (iii) participation in other Federal farm programs,
4 (iv) unusually high percentage of land on the farm devoted
5 to conserving uses, and (v) other factors which the Secre-
6 tary determines should be considered for the purpose of
7 establishing a fair and equitable soil-conserving acreage for
8 the farm; and (3) that the producer shall not knowingly
9 exceed (i) any farm acreage allotment in effect for any
10 commodity produced on the farm, and (ii) except as the
11 Secretary may by regulations prescribe, with the farm acre-
12 age allotments on any other farm for any crop in which the
13 producer has a share. The producers on a new farm shall
14 not be eligible for payments hereunder. Payments may be
15 made in cash or in wheat. The Secretary shall provide for
16 the sharing of payment among producers on the farm on
17 a fair and equitable basis. The following factors shall be
18 given consideration in arriving at the division of payment:

19 “(1) The basis on which producers would have
20 shared in the production of wheat had wheat been pro-
21 duced on the diverted acreage;

22 “(2) The savings or benefits accruing to each pro-
23 ducer on the diverted acreage;

24 “(3) The respective contribution of each producer
25 to the establishment and maintenance of the conservation

1 use on the acreage designated as diverted from produc-
2 tion; and

3 “(4) The respective relationship of the diverted
4 acreage and increased conservation acreage to the vari-
5 ous ownership tracts comprising a farm.

6 “(c) Where a producer is not entitled to receive full
7 payment under the program formulated under subsection
8 (b) of this section because of unintentional failure to comply
9 with the terms and conditions of the program, the Secretary
10 is authorized to make partial payment to the producer
11 proportionate to the performance rendered.

12 “(d) Not to exceed 50 per centum of any payment to
13 producers under subsection (b) of this section may be made
14 in advance of determination of performance.

15 “(e) If the Secretary permits the diverted acreage to be
16 grazed before October 1 or after April 1, no payment shall
17 be made for the acreage which is grazed.

18 “(f) The Secretary may permit the diverted acreage to
19 be devoted to the production of guar, sesame, safflower, sun-
20 flower, castor beans and flax when such crops are not in sur-
21 plus supply and will not be in surplus supply if permitted to
22 be grown on the diverted acreage, subject to the condition
23 that payment with respect to diverted acreage devoted to
24 any such crop shall be at a rate determined by the Secre-
25 tary to be fair and reasonable taking into consideration the

1 use of such acreage for the production of such crops: *Pro-*
2 *vided*, That in no event shall the payment exceed one-half
3 the rate which would otherwise be applicable if such acreage
4 were devoted to conservation uses.

5 “(g) The program formulated pursuant to subsection
6 (b) of this section may include such terms and conditions,
7 in addition to those specifically provided for herein, as the
8 Secretary determines are desirable to effectuate the purposes
9 of this section.

10 “(h) The Secretary is authorized to promulgate such
11 regulations as may be desirable to carry out the provisions of
12 this section.

13 “(i) The Commodity Credit Corporation is author-
14 ized to utilize its capital funds and other assets for the purpose
15 of making the payments authorized in this section and to pay
16 administrative expenses necessary in carrying out this sec-
17 tion during the period ending June 30, 1963. There is
18 authorized to be appropriated such amounts as may be
19 necessary thereafter to pay such administrative expenses.

20 “(j) Notwithstanding any other provision of law
21 performance rendered in good faith in reliance upon action or
22 advice of an authorized representative of the Secretary may
23 be accepted as meeting the requirements of this section, or of
24 section 124 of the Agricultural Act of 1961 (75 Stat. 297–

1 298), and payment may be made therefor in accordance with
2 such action or advice to the extent the Secretary deems it
3 desirable in order to provide fair and equitable treatment.”

4 SEC. 419. Public Law 74, Seventy-seventh Congress (7
5 U.S.C. 1340), as amended, is hereby amended as follows:

6 (1) By amending paragraph (1) to read as fol-
7 lows:

8 “(1) The farm marketing quota for any crop of
9 wheat shall be the actual production of the acreage
10 planted to such crop of wheat on the farm less the farm
11 marketing excess. The farm marketing excess shall be
12 an amount equal to twice the normal yield of wheat per
13 acre established for the farm multiplied by the number
14 of acres of such crop of wheat on the farm in excess of
15 the farm acreage allotment for such crop unless the pro-
16 ducer, in accordance with regulations issued by the Sec-
17 retary and within the time prescribed therein, establishes
18 to the satisfaction of the Secretary, the actual production
19 of such crop of wheat on the farm. If such actual pro-
20 duction is so established, the farm marketing excess shall
21 be an amount equal to the actual production of the num-
22 ber of acres of wheat on the farm in excess of the farm
23 acreage allotment for such crop. In determining the
24 farm marketing quota and farm marketing excess, (1)
25 any acreage of wheat remaining after the date prescribed

1 by the Secretary for the disposal of excess acres of wheat
2 shall be included as acreage of wheat on the farm, and
3 the production thereof shall be appraised in such manner
4 as the Secretary determines will provide a reasonably
5 accurate estimate of such production, and (2) any acre-
6 age of any crop of wheat classified as feed grain acreage
7 pursuant to section 360i of the Agricultural Adjust-
8 ment Act of 1938, as amended, shall not be considered
9 to be acreage planted to wheat. Any acreage of wheat
10 disposed of in accordance with regulations issued by
11 the Secretary prior to such date as may be prescribed
12 by the Secretary shall be excluded in determining the
13 farm marketing quota and farm marketing excess. Self-
14 seeded (volunteer) wheat shall be included in deter-
15 mining the acreage of wheat. Marketing quotas for
16 any marketing year shall be in effect with respect to
17 wheat harvested in the calendar year in which such mar-
18 keting year begins notwithstanding that the wheat is
19 marketed prior to the beginning of such marketing
20 year."

21 (2) By amending paragraph (2) to read as fol-
22 lows:

23 " (2) Whenever farm marketing quotas are in effect
24 with respect to any crop of wheat, the producers on a

1 farm shall be subject to a penalty on the farm marketing
2 excess of wheat at a rate per bushel equal to 65
3 per centum of the parity price per bushel of wheat as of
4 May 1 of the calendar year in which the crop is har-
5 vested. Each producer having an interest in the crop
6 of wheat on any farm for which a farm marketing excess
7 of wheat is determined shall be jointly and severally
8 liable for the entire amount of the penalty on the farm
9 marketing excess."

10 (3) The farm marketing excess for wheat shall be
11 considered as available for marketing, and the penalty
12 shall be computed upon twice the normal production
13 of the excess acreage. Whereupon the application of
14 the producer for an adjustment of penalty, it is shown
15 to the satisfaction of the Secretary that the actual pro-
16 duction of the excess acreage is less than twice the
17 normal production thereof, the difference between the
18 amount of the penalty as computed upon the basis of
19 twice the normal production and as computed upon the
20 basis of actual production shall be returned to or allowed
21 the producer.

22 (4) By amending paragraph (4) to read as
23 follows:

24 "(4) Until the producers on any farm pay the
25 penalty on, the farm marketing excess of any crop of

1 wheat, the entire crop of wheat produced on the farm
2 and any subsequent crop of wheat subject to marketing
3 quotas in which the producer has an interest shall be
4 subject to a lien in favor of the United States for the
5 amount of the penalty.”

6 (5) By striking out “corn or” from paragraph (5).

7 (6) By striking out “corn or” from paragraph (6).

8 (7) By repealing paragraph (7), and by renum-
9 bering paragraphs (8) through (11) as (7) through
10 (10), respectively.

11 (8) By amending the first sentence of paragraph
12 (8) redesignated by this section as paragraph (7)
13 to read as follows: “Until the penalty is paid on the
14 marketing excess of wheat each bushel of wheat pro-
15 duced on the farm which is sold by the producer to
16 any person within the United States shall be subject
17 to the penalty as specified in paragraph (2) of this
18 resolution.”; and by adding at the end of such para-
19 graph the following sentence:

20 “If the buyer fails to collect such penalty, such

1 buyer and all persons entitled to share in the wheat
2 marketed from the farm or the proceeds thereof shall
3 be jointly and severally liable for such penalty.”

4 (9) By repealing paragraph (12), and by adding
5 the following new paragraphs to follow paragraph (11),
6 redesignated by this section as paragraph (10) :

7 “(11) The persons liable for the payment or col-
8 lection of the penalty on any amount of wheat shall
9 be liable also for interest thereon at the rate of 6 per
10 centum per annum from the date the penalty becomes
11 due until the date of payment of such penalty.

12 “(12) If marketing quotas for wheat are not in
13 effect for any marketing year, all previous marketing
14 quotas applicable to wheat shall be terminated, effective
15 as of the first day of such marketing year. Such termi-
16 nation shall not abate any penalty previously incurred
17 by a producer or relieve any buyer of the duty to remit
18 penalties previously collected by him.”

19 SEC. 420. Section 371 of the Agricultural Adjustment
20 Act of 1938, as amended, is hereby amended as follows:

21 (1) Subsection (a) is amended by deleting “corn,
22 wheat,” in the first sentence thereof.

23 (2) The first sentence of subsection (b) is amended
24 by striking out “any national acreage allotment for corn

1 or", "wheat," and "in order to effect the declared policy
2 of this Act".

3 SEC. 421. Section 385 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended by inserting in
5 the first sentence after "parity payment," the following:
6 "payment under section 339,".

7 SEC. 422. The amendments to the Agricultural Adjust-
8 ment Act of 1938, as amended, and to Public Law 74, Sev-
9 enty-seventh Congress, as amended, made by sections 410
10 through 421 of this Act shall be in effect only with respect to
11 programs applicable to the crops planted for harvest in the
12 calendar year 1963 or any subsequent year and the market-
13 ing years beginning in the calendar year 1963 or any sub-
14 sequent year.

15 WHEAT MARKETING ALLOCATION PROGRAM

16 SEC. 423. Title III of the Agricultural Adjustment Act
17 of 1938, as amended, is hereby amended (1) by designating
18 subtitles D and E as subtitles E and F, respectively, and (2)
19 by inserting after subtitle C a new subtitle D as follows:

20 "SUBTITLE D—WHEAT MARKETING ALLOCATION

21 "LEGISLATIVE FINDINGS

22 "SEC. 379a. Wheat, in addition to being a basic food,
23 is one of the great export crops of American agriculture and
24 its production for domestic consumption and for export is

1 necessary to the maintenance of a sound national economy
2 and to the general welfare. The movement of wheat from
3 producer to consumer, in the form of the commodity or any
4 of the products thereof, is preponderantly in interstate and
5 foreign commerce. Unreasonably low prices of wheat to
6 producers impair their purchasing power for nonagricultural
7 products and place them in a position of serious disparity
8 with other industrial groups. The conditions affecting the
9 production of wheat are such that without Federal assist-
10 ance, producers cannot effectively prevent disastrously low
11 prices for wheat. It is necessary, in order to assist wheat
12 producers in obtaining fair prices, to regulate the price of
13 wheat used for domestic food and for exports in the manner
14 provided in this subtitle.

15 "WHEAT MARKETING ALLOCATION

16 "SEC. 379b. During any marketing year for which a
17 marketing quota is in effect for wheat, beginning with the
18 marketing year for the 1963 crop, a wheat marketing allo-
19 cation program shall be in effect as provided in this subtitle.
20 Whenever a wheat marketing allocation program is in effect
21 for any marketing year the Secretary shall determine (1)
22 the wheat marketing allocation, which shall be the amount
23 of wheat used during the marketing year for human con-
24 sumption in the United States and exports on which market-
25 ing certificates shall be issued to producers in order to

1 achieve, insofar as practicable, the price and income objec-
2 tives of this subtitle, and (2) the national allocation per-
3 centage which shall be the percentage which the national
4 marketing allocation is of the national marketing quota of
5 wheat during the calendar year in which such marketing
6 year begins. Each farm shall receive a wheat marketing al-
7 location for such marketing year equal to the number of
8 bushels obtained by multiplying the number of acres in the
9 farm acreage allotment for wheat by the estimated yield of
10 wheat for the farm as determined by the Secretary, and
11 multiplying the resulting number of bushels by the national
12 allocation percentage.

13 "MARKETING CERTIFICATES

14 "SEC. 379c. (a) The Secretary shall provide for the is-
15 suance of wheat marketing certificates for each marketing
16 year for which a wheat marketing allocation program is in
17 effect for the purpose of enabling producers on any farm with
18 respect to which certificates are issued to receive, in addition
19 to the other proceeds from the sale of wheat, an amount equal
20 to the value of such certificates. The wheat marketing cer-
21 tificates issued with respect to any farm for any marketing
22 year shall be in the amount of the farm wheat marketing
23 allocation for such year, but not to exceed (i) the actual
24 acreage of wheat planted on the farm for harvest in the

1 calendar year in which the marketing year begins multiplied
2 by the estimated yield of wheat for the farm, plus (ii) the
3 amount of wheat stored to avoid or postpone a marketing
4 quota penalty, which is released from storage during the
5 marketing year on account of underplanting or underproduc-
6 tion. The Secretary shall provide for the sharing of wheat
7 marketing certificates among producers on the farm on the
8 basis of their respective shares in the wheat crop produced on
9 the farm, or the proceeds therefrom.

10 “(b) No producer shall be eligible to receive wheat
11 marketing certificates with respect to any farm for any
12 marketing year in which a marketing quota penalty is
13 assessed for any commodity on such farm or in which the
14 farm has not complied with the land-use requirements of
15 section 339 to the extent prescribed by the Secretary, or in
16 which, except as the Secretary may by regulation prescribe,
17 the producer exceeds the farm acreage allotment on any
18 other farm for any commodity in which he has an interest
19 as a producer.

20 “(c) Whenever a wheat marketing allocation program
21 is in effect for any marketing year, the Secretary shall
22 determine and proclaim for such marketing year the face
23 value per bushel of marketing certificates. The face value
24 per bushel of marketing certificates shall be equal to the
25 amount by which the level of price support for wheat ac-

1 accompanied by certificates exceeds the level of price support
2 for wheat not accompanied by certificates (noncertificate
3 wheat) .

4 “(d) Marketing certificates and transfers thereof shall
5 be represented by such documents, marketing cards, records,
6 accounts, certifications, or other statements or forms as the
7 Secretary may prescribe.

8 “MARKETING RESTRICTIONS

9 “SEC. 379d. (a) All persons are prohibited from acquir-
10 ing marketing certificates from the producer to whom such
11 certificates are issued, unless such certificates are acquired in
12 connection with the acquisition from such producer of a num-
13 ber of bushels of wheat equivalent to the marketing certifi-
14 cates. Marketing certificates shall be transferable only in
15 accordance with regulations prescribed by the Secretary.
16 Any unused certificates held by persons other than the pro-
17 ducer to whom such certificates are issued shall be purchased
18 by Commodity Credit Corporation. Notwithstanding the
19 foregoing provisions of this section, Commodity Credit Cor-
20 poration is authorized to purchase from producers certificates
21 not accompanied by wheat in cases where the Secretary
22 determines that it would constitute an undue hardship to
23 require the producer to transfer his certificates only in con-
24 nection with the disposition of wheat.

25 “(b) During any marketing year for which a wheat

1 marketing allocation program is in effect, (i) all persons
2 engaged in the processing of wheat into food products com-
3 posed wholly or partly of wheat shall, prior to marketing
4 any such product for human food in the United States, ac-
5 quire marketing certificates equivalent to the number of
6 bushels of wheat contained in such product, and (ii) all
7 persons exporting wheat or food products composed wholly
8 or partly of wheat shall prior to such export acquire market-
9 ing certificates equivalent to the number of bushels so
10 exported. Marketing certificates shall be valid to cover only
11 sales or exportations made during the marketing year with
12 respect to which they are issued, and after being once used
13 to cover a sale or export of a food product or an export of
14 wheat shall be void and shall be disposed of in accordance
15 with regulations prescribed by the Secretary.

16 “(c) Upon the giving of a bond or other undertaking
17 satisfactory to the Secretary, and subject to such regulations
18 as he may prescribe, to secure the purchase of and payment
19 for such marketing certificates as may be required, any per-
20 son required to have marketing certificates in order to mar-
21 ket or export a commodity may market any such commodity
22 without having first acquired marketing certificates.

23 “(d) As used in this subtitle, the term ‘food products’
24 means any product to be used for human consumption, in-
25 cluding beverage.

1 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING

2 CERTIFICATES

3 “SEC. 379e. For the purpose of facilitating the purchase
4 and sale of marketing certificates, the Commodity Credit
5 Corporation is authorized to issue, buy, and sell marketing
6 certificates in accordance with regulations prescribed by the
7 Secretary. Such regulations may authorize the Corporation
8 to issue and sell certificates in excess of the quantity of cer-
9 tificates which it purchases and in the purchase and sale of
10 marketing certificates to make such discounts and charge
11 such premiums not exceeding 5 per centum of the face
12 value of the certificate as the Secretary shall determine
13 necessary to encourage the purchase and sale of such certif-
14 icates through commercial channels.

15 “CONVERSION FACTORS

16 “SEC. 379f. The Secretary shall establish conversion
17 factors which shall be used to determine the amount of wheat
18 contained in any food product. The conversion factor for
19 any such food product shall be determined upon the basis of
20 the weight of wheat used in the manufacture of such product.

21 “AUTHORITY TO FACILITATE TRANSITION

22 “SEC. 379g. The Secretary is authorized to take such
23 action as he determines to be necessary to facilitate the tran-
24 sition from the program currently in effect to the program
25 provided for in this subtitle. Notwithstanding any other pro-

1 vision of this subtitle, such authority shall include, but shall
2 not be limited to, the authority to exempt all or a portion of
3 the wheat or food products made therefrom in the channels of
4 trade on the effective date of the program under this subtitle
5 from the marketing restrictions in subsection (b) of section
6 379d, or to sell certificates to persons owning such wheat or
7 food products at such prices as the Secretary may determine.
8 Any such certificate shall be issued by Commodity Credit
9 Corporation.

10 "REPORTS AND RECORDS

11 "SEC. 379h. This section shall apply to warehousemen,
12 processors, exporters, and all persons purchasing, selling,
13 or otherwise dealing in wheat marketing certificates. Any
14 such person shall, from time to time on request of
15 the Secretary, report to the Secretary such information
16 and keep such records as the Secretary finds to be neces-
17 sary to enable him to carry out the provisions of this
18 subtitle. Such information shall be reported and such records
19 shall be kept in such manner as the Secretary shall prescribe.
20 For the purpose of ascertaining the correctness of any report
21 made or record kept, or of obtaining information required to
22 be furnished in any report, but not so furnished, the Secretary
23 is hereby authorized to examine such books, papers, records,
24 accounts, correspondence, contracts, documents, and memo-

1 randums as he has reason to believe are relevant and are
2 within the control of such person.

3 "PENALTIES

4 "SEC. 379i. (a) Any person who violates or attempts
5 to violate or who participates or aids in the violation of any
6 of the provisions of subsection (b) of section 379d of this
7 Act shall forfeit to the United States a sum equal to two
8 times the face value of the marketing certificates involved in
9 such violation. Such forfeiture shall be recoverable in a
10 civil action brought in the name of the United States.

11 "(b) Any person, except a producer who is subject to
12 subsection (c) of this section, who violates or attempts to vio-
13 late or who participates or aids in the violation of any pro-
14 vision of this subtitle, or of any regulation, governing the
15 acquisition, disposition, or handling of marketing certificates
16 or who fails to make any report or keep any record as re-
17 quired by section 379h shall be deemed guilty of a misde-
18 meanor and upon conviction thereof shall be subject to a fine
19 of not more than \$5,000 for each violation.

20 "(c) Any person who, in his capacity as a producer,
21 knowingly violates or attempts to violate or who participates
22 or aids in the violation of any provision of this subtitle, or of
23 any regulation, governing the acquisition, disposition, or
24 handling of marketing certificates or fails to make any report

1 or keep any record as required by section 379h shall, (i) for-
2 feit any right to receive marketing certificates, in whole or in
3 part as the Secretary may determine, with respect to the farm
4 or farms and for the marketing year with respect to which
5 any such act or default is committed, or (ii), if such market-
6 ing certificates have already been issued, pay to the Secretary,
7 upon demand, the amount of the face value of such certifi-
8 cates, or such part thereof as the Secretary may determine.
9 Such determination by the Secretary with respect to the
10 amount of such marketing certificates to be forfeited or the
11 amount to be paid by such producer shall take into considera-
12 tion the circumstances relating to the act or default com-
13 mitted and the seriousness of such act or default.

14 “(d) Any person who falsely makes, issues, alters,
15 forges, or counterfeits any marketing certificate, or with
16 fraudulent intent possesses, transfers, or uses any such falsely
17 made, issued, altered, forged, or counterfeited marketing cer-
18 tificate, shall be deemed guilty of a felony and upon con-
19 viction thereof shall be subject to a fine of not more than
20 \$10,000 or imprisonment of not more than ten years, or
21 both.

22 “REGULATIONS

23 “SEC. 379j. The Secretary shall prescribe such regula-
24 tions as may be necessary to carry out the provisions of this

1 subtitle including but not limited to regulations governing
2 the acquisition, disposition, or handling of marketing cer-
3 tificates.”

4 SEC. 424. The Agricultural Act of 1949, as amended,
5 is amended as follows:

6 (1) By inserting after section 106 the following new
7 section:

8 “SEC. 107. Notwithstanding the provisions of section
9 101 of this Act, beginning with the 1963 crop—

10 “(1) price support for wheat accompanied by mar-
11 keting certificates shall be at such level not less than
12 75 per centum or more than 90 per centum of the
13 parity price therefor as the Secretary determines appro-
14 priate taking into consideration the factors specified in
15 section 401 (b) ;

16 “(2) price support for wheat not accompanied by
17 marketing certificates shall be at such level as the Sec-
18 retary determines appropriate taking into consideration
19 competitive world prices of wheat, the feeding value
20 of wheat in relation to feed grains, and the level at
21 which price support is made available for feed grains;

22 “(3) if marketing quotas are in effect for the crop
23 of wheat, price support shall be made available only
24 to cooperators;

1 “(4) no price support shall be made available for
2 any crop of wheat for which marketing quotas are not
3 in effect because of disapproval of quotas by producers;

4 “(5) the level of price support for any crop of
5 wheat for which a national marketing quota is not pro-
6 claimed shall be as provided in section 101; and

7 “(6) a ‘cooperator’ with respect to any crop of
8 wheat produced on a farm shall be a producer who (i)
9 does not knowingly exceed (A) the farm acreage al-
10 lotment for wheat or any other commodity on the farm
11 or (B) except as the Secretary may by regulation pre-
12 scribe, the farm acreage allotment on any other farm
13 for any commodity in which he has an interest as a pro-
14 ducer, and (ii) complies with the land-use requirements
15 of section 339 of the Agricultural Adjustment Act of
16 1938, as amended, to the extent prescribed by the Sec-
17 retary.”

18 (2) By changing the period at the end of the
19 third sentence in section 407 to a colon and adding the
20 following: “*Provided*, That if a wheat marketing alloca-
21 tion program is in effect, the current support price for
22 wheat shall be the support price for wheat accompanied
23 by a domestic certificate and wheat sold shall be ac-
24 companied by a domestic certificate.”

25 (3) By adding at the end of section 407 the fol-

1 lowing new sentence: "Notwithstanding any other pro-
2 vision hereof, if a marketing quota for wheat for any
3 marketing year is disapproved by producers, the Com-
4 modity Credit Corporation may sell for unrestricted use
5 from its stocks at market prices during the marketing
6 year not to exceed two hundred million bushels of
7 wheat."

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[COMMITTEE PRINT NO. 11]

April 9, 1962

MARKETING QUOTAS—FEED GRAINS

(As approved by the Committee on Agriculture, April 6, 1962)

H. R. 10010

1 TITLE IV—COMMODITY PROGRAMS

2 SUBTITLE A—FEED GRAINS

3 SEC. 401. Subtitle B of title III of the Agricultural
4 Adjustment Act of 1938, as amended, is further amended by
5 inserting after part VI a new part VII as follows:

6 “PART VII—MARKETING QUOTAS—FEED GRAINS

7 “LEGISLATIVE FINDINGS

8 “SEC. 360. The production of feed grains is a vital
9 part of the agricultural economy of the United States. Feed
10 grains move almost wholly in interstate and foreign com-
11 merce in the form of grains, livestock, and livestock products.

1 “Abnormally excessive and abnormally deficient sup-
2 plies of feed grains on the national market acutely and
3 directly burden, obstruct, and affect interstate and foreign
4 commerce. When the available supply of feed grains is
5 excessive, the prices of feed grains are unreasonably low and
6 farmers overexpand livestock production to find outlets for
7 feed grains. Excessive supplies of feed grains cause the
8 marketing of excessive supplies of livestock in interstate and
9 foreign commerce at sacrificial prices, endanger the financial
10 stability of producers, and overtax the handling, processing,
11 and transportation facilities through which the flow of inter-
12 state and foreign commerce in feed grains, livestock, and
13 livestock products is directed. Deficient supplies of feed
14 grains result in substantial decreases in livestock production
15 and in an inadequate flow of livestock and livestock products
16 in interstate and foreign commerce, with the consequence of
17 unreasonably high prices to consumers and loss of markets
18 for producers.

19 “The principal grains used for livestock feed are corn,
20 barley, grain sorghums, and oats. Although certain feed
21 grains are better suited for production in some areas than
22 other feed grains, in general, one of several feed grains can
23 be grown on the same land. A marketing program which
24 provides for a single quota applicable to feed grains and
25 which permits producers to determine, within the quota,

1 which feed grains they shall produce will tend to effectuate
2 the policy of the Act and will permit producers the maximum
3 amount of freedom of choice consistent with the attainment
4 of the policy of the Act.

5 “The conditions affecting the production and marketing
6 of feed grains are such that, without Federal assistance,
7 farmers, individually or in cooperation, cannot effectively
8 provide for a balanced supply of feed grains and the orderly
9 marketing of feed grains in interstate and foreign commerce
10 at prices which are fair and reasonable to farmers and
11 consumers.

12 “The national public interest and general welfare require
13 that the burdens on interstate and foreign commerce above
14 described be removed by the exercise of Federal power.
15 Feed grains which do not move in the form of feed grains
16 outside of the State where they are produced are so closely
17 and substantially related to feed grains which move in the
18 form of feed grains outside of the State where they are pro-
19 duced, and have such a close and substantial relation to the
20 volume and price of livestock and livestock products in inter-
21 state and foreign commerce, that it is necessary to regulate
22 feed grains which do not move outside of the State where
23 they are produced to the extent set forth in this Act.

24 “The diversion of substantial acreages from feed grains
25 to the production of commodities which are in surplus supply

1 or which will be in surplus supply if they are permitted to be
2 grown on the diverted acreage would burden, obstruct, and
3 adversely affect interstate and foreign commerce in such
4 commodities, and would adversely affect the prices of such
5 commodities in interstate and foreign commerce. Small
6 changes in the supply of a commodity could create a sufficient
7 surplus to affect seriously the price of such commodity in
8 interstate and foreign commerce. Large changes in the
9 supply of such commodity could have a more acute effect on
10 the price of the commodity in interstate and foreign com-
11 merce and, also, could overtax the handling, processing, and
12 transportation facilities through which the flow of interstate
13 and foreign commerce in such commodity is directed. Such
14 adverse effects caused by overproduction in one year could
15 further result in a deficient supply of the commodity in the
16 succeeding year, causing excessive increases in the price of
17 the commodity in interstate and foreign commerce in such
18 year. It is, therefore, necessary to prevent acreage diverted
19 from the production of feed grains to be used to produce com-
20 modities which are in surplus supply or which will be in
21 surplus supply if they are permitted to be grown on the di-
22 verted acreage.

23 "NATIONAL MARKETING QUOTA

24 "SEC. 360b. (a) Whenever prior to June 20 in any
25 calendar year the Secretary determines that the total supply

of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

“(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv)

1 will be exported either in the form of feed grains or products
2 thereof; less (A) an amount of feed grains equal to the esti-
3 mated imports of feed grains into the United States during
4 such marketing year and, (B) if the stocks of feed grains
5 owned by the Commodity Credit Corporation are determined
6 by the Secretary to be excessive, an amount of feed grains not
7 to exceed 7 per centum of items (i), (ii), (iii), and (iv)
8 above, determined by the Secretary to be a desirable reduc-
9 tion in such marketing year in such stocks to achieve the
10 policy of the Act: *Provided*, That if the Secretary determines
11 that the total stocks of feed grains in the Nation are insuffi-
12 cient to assure an adequate carryover for the next succeeding
13 marketing year, the national marketing quota otherwise de-
14 termined shall be increased by the amount the Secretary
15 determines to be necessary to assure an adequate carryover.

16 “(c) If, after the proclamation of a national marketing
17 quota for feed grains for any marketing year, the Secretary
18 has reason to believe that, because of a national emergency
19 or because of a material increase in the demand for feed
20 grains, the national marketing quota should be terminated or
21 the amount thereof increased, he shall cause an immediate
22 investigation to be made to determine whether such action is
23 necessary in order to meet such emergency or increase in the
24 demand for feed grains. If, on the basis of such investiga-
25 tion, the Secretary finds that such action is necessary, he

1 shall immediately proclaim such finding and the amount of
2 any such increase found by him to be necessary and there-
3 upon such national marketing quota shall be so increased or
4 terminated. In case any national marketing quota is in-
5 creased under this subsection, the Secretary shall provide for
6 such increase by increasing acreage allotments established
7 under this part by a uniform percentage.

8 "NATIONAL ACREAGE ALLOTMENT

9 "SEC. 360c. Whenever the amount of the national
10 marketing quota for feed grains is proclaimed for any mar-
11 keting year, the Secretary at the same time shall proclaim
12 a national acreage allotment for the crop of feed grains
13 planted for harvest in the calendar year in which such
14 marketing year begins. The amount of the national acreage
15 allotment shall be the number of acres which the Secretary
16 determines on the basis of expected yields and expected
17 underplantings of farm acreage allotments will, together with
18 the expected production on increased acreages resulting from
19 the small-farm exemption pursuant to section 360f, make
20 available a supply of feed grains equal to the national
21 marketing quota for feed grains for such marketing year.

22 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

23 "SEC. 360d. (a) The national acreage allotment for
24 any crop of feed grains, less a reserve acreage of not to
25 exceed 1 per centum thereof for use as provided in sub-

1 section (b) (2) of this section, shall be apportioned by the
2 Secretary among the several States on the basis of the base
3 acreage of feed grains for each State. The State base acreage
4 of feed grains shall be the average acreage of feed grains
5 in the State during the base period, adjusted pursuant to
6 subsection (d) of this section.

7 “(b) (1) The State acreage allotment for any crop of
8 feed grains, less a reserve acreage of not to exceed 3 per
9 centum thereof for use as provided in subsection (c) (2) of
10 this section, shall be apportioned by the Secretary among
11 the counties in the State on the basis of the base acreage of
12 feed grains for each county. The county base acreage of
13 feed grains shall be the average acreage of feed grains in the
14 county during the base period, adjusted pursuant to subsec-
15 tion (d) of this section.

16 “(2) The reserve acreage established pursuant to sub-
17 section (a) of this section shall be used by the Secretary to
18 make increases in county acreage allotments on the basis of
19 the relative needs of counties for an additional share of the
20 national acreage allotment because of new areas coming
21 into the production of feed grains.

22 “(c) (1) The county acreage allotment for any crop
23 of feed grains shall be apportioned by the Secretary, through
24 the county committee, among the farms in the county on
25 the basis of the base acreage of feed grains for each farm.

1 The farm base acreage of feed grains shall be the average
2 acreage of feed grains on the farm during the base period,
3 adjusted pursuant to subsection (d) of this section.

4 “(2) The reserve acreage established pursuant to sub-
5 section (b) (1) of this section shall be available:

6 “(A) For apportionment to farms which were eli-
7 gible to receive farm acreage allotments under this part,
8 but which through error did not receive such allotments;

9 “(B) For making increases in farm acreage allot-
10 ments on the basis of any one or more of the following
11 factors: tillable acres, type of soil, topography, estab-
12 lished crop-rotation practices on the farm, hardship, in-
13 equities in allotments, and such other factors as the Sec-
14 retary determines should be considered for the purpose
15 of establishing fair and equitable farm acreage allotments;
16 and

17 “(C) For apportionment to farms for which farm
18 acreage allotments were not determined because there
19 were no acreages of feed grains on such farm during
20 the base period on the basis of the following factors:
21 the suitability of the land for the production of feed
22 grains, the past experience of the farm operator in the
23 production of feed grains, the extent to which the farm
24 operator is dependent on income from farming for his

1 livelihood, the production of feed grains on other farms
2 owned, operated, or controlled by the farm operator,
3 and such other factors as the Secretary determines should
4 be considered for the purpose of establishing fair and
5 equitable farm acreage allotments.

6 “(d) In determining the State, county, and farm base
7 acreages—

8 “(1) the base period shall be the calendar years
9 1959 and 1960 for the purpose of determining acreage
10 allotments for the 1963, 1964, and 1965 crops of feed
11 grains; and for the purpose of determining acreage
12 allotments for subsequent crops of feed grains, the base
13 period shall be the two most recent calendar years
14 during which a marketing quota program was in effect
15 for which statistics of the Federal Government are
16 available;

17 “(2) the Secretary shall make such upward adjust-
18 ments as he determines are necessary for abnormal
19 conditions affecting the acreage of feed grains planted for
20 harvest, land which is regarded as devoted to the produc-
21 tion of feed grains under the conservation reserve and
22 other Federal farm programs, established crop-rotation
23 practices on the farm, hardships, and such other
24 factors as the Secretary determines should be considered

1 for the purpose of establishing fair and equitable base
2 acreages;

3 “(3) the acreage of feed grains on the farm in
4 excess of the farm acreage allotment shall be excluded
5 in determining the average acreage of feed grains for
6 the State, county, or farm.

7 “(4) the acreage of wheat produced on the farm
8 pursuant to the exemption provided in section 335 (f),
9 in effect prior to the enactment of this part VII, shall
10 be considered as an acreage of feed grains in determining
11 the average acreage of feed grains for the State, county,
12 or farm.”

13 GEOGRAPHICAL APPLICABILITY

14 This part VII shall be applicable to the continental
15 United States excluding Alaska.

16 “SMALL FARM EXEMPTION

17 “SEC. 360f. Notwithstanding any other provision of
18 this part, no farm marketing quota for any crop of feed grains
19 shall be applicable to any farm with a farm base acreage
20 of twenty-five acres or less if the acreage of such crop of
21 feed grains does not exceed the farm base acreage deter-
22 mined for the farm, unless the owner or operator elects in
23 writing on a form and within the time prescribed by the
24 Secretary to be subject to the farm acreage allotment. If

1 the owner or operator of any such farm fails to make such
2 election with respect to any crop of feed grains, (i) for the
3 purposes of section 360h, the farm acreage allotment for such
4 crop of feed grains shall be deemed to be the farm base
5 acreage if the acreage of such crop of feed grains exceeded
6 the farm base acreage, (ii) the land-use provisions of sec-
7 tion 360j shall be inapplicable to the farm, and (iii) such
8 crop of feed grains shall not be eligible for price support.

9 "REFERENDUM

10 "SEC. 360g. If a national marketing quota for feed grains
11 for one, two, or three marketing years is proclaimed, the
12 Secretary shall, not later than sixty days after such proclama-
13 tion is published in the Federal Register, conduct a referen-
14 dum, by secret ballot, of farmers to determine whether they
15 favor or oppose marketing quotas for the marketing year or
16 years for which proclaimed. Any producer who has a feed
17 grain base shall be eligible to vote in any referendum held
18 pursuant to this section, except a producer who has a farm
19 feed grain base of twenty-five acres or less and who does not
20 elect, pursuant to section 360f, to be subject to the farm acre-
21 age allotment. The Secretary shall proclaim the results of
22 any referendum held hereunder within thirty days after the
23 date of such referendum, and if the Secretary determines that
24 more than one-third of the farmers voting in the referendum
25 voted against marketing quotas, the Secretary shall pro-

claim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

“COMPLIANCE

“SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided*, That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further*, That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acre-

1 acreage of the feed grain or grains which has the highest value,
 2 based on the normal yield of the feed grain on the farm
 3 multiplied by the basic county support rate for the feed
 4 grain, shall be considered as the acreage in excess of the
 5 farm acreage allotment.

6 “(2) For the purposes of this section, (i) ‘actual pro-
 7 duction’ of any number of acres of a feed grain on a farm
 8 means the actual average yield of such feed grain on the farm
 9 multiplied by the number of acres of such feed grain, and
 10 (ii) ‘normal production’ of any number of acres of a feed
 11 grain on a farm means the normal yield of such feed grain
 12 on the farm multiplied by the number of acres of such feed
 13 grain. The normal yield of any feed grain for a farm shall
 14 be the average yield of such feed grain determined by the
 15 Secretary for the farm during the base period (as defined in
 16 subsection (d) (1) of section 360d) adjusted to the extent
 17 the Secretary determines necessary for abnormal factors af-
 18 fecting production.

19 “(3) In determining the farm marketing quota and
 20 farm marketing excess, (i) any acreage of a feed grain
 21 remaining after the date prescribed by the Secretary for the
 22 disposal of excess acres of such feed grain shall be included
 23 as an acreage of feed grains on the farm, and the production
 24 thereof shall be appraised in such manner as the Secretary
 25 determines will provide a reasonably accurate estimate of

1 such production, (ii) any acreage of any feed grain classified
2 as wheat acreage pursuant to section 337 shall not be con-
3 sidered feed grain acreage, and (iii) any acreage of feed
4 grains disposed of in accordance with regulations issued by
5 the Secretary prior to such date as may be prescribed by the
6 Secretary shall be excluded in determining the farm market-
7 ing quota and farm marketing excess. Marketing quotas for
8 any marketing year shall be in effect with respect to feed
9 grains harvested in the calendar year in which such market-
10 ing year begins notwithstanding that the feed grains are
11 marketed prior to the beginning of such marketing year.

12 “(b) Whenever farm marketing quotas are in effect
13 with respect to any crop of feed grains, the farm marketing
14 excess of any feed grain shall be regarded as available for
15 marketing, and the producers on a farm shall be subject to
16 a penalty on the farm marketing excess of feed grains at a
17 rate per bushel on the amount of feed grains in the farm mar-
18 keting excess equal to 65 per centum of the parity price of
19 the particular feed grain involved as of May 1 of the calen-
20 dar year in which the crop is harvested. Each producer hav-
21 ing an interest in the crop of feed grains on any farm for
22 which a farm marketing excess of feed grains is determined
23 shall be jointly and severally liable for the entire amount of
24 the penalty on the farm marketing excess.

25 “(c) If the farm marketing excess is adjusted down-

ward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

“(d) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

“(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

“(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per an-

1 num from the date the penalty becomes due until the date
2 of payment of such penalty.

3 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

4 “SEC. 360i. Notwithstanding any other provision of law,
5 the Secretary shall permit producers of wheat to have
6 acreage devoted to the production of wheat considered as de-
7 voted to the production of feed grains to such extent and
8 subject to such terms and conditions as the Secretary de-
9 termines will not impair the effective operation of this sub-
10 title B.

11 “LAND USE

12 “SEC. 360j. (a) (1) During any year in which mar-
13 keting quotas for feed grains are in effect, the producers on
14 any farm (except a farm for which a farm acreage allot-
15 ment is established pursuant to section 360d (c) (2) (C)) on
16 which any crop is produced on acreage required to be di-
17 verted from the production of feed grains shall be subject
18 to a penalty on such crop, in addition to any marketing quota
19 penalty applicable to such crop, as provided in this subsec-
20 tion, unless (i) the crop is designated by the Secretary
21 pursuant to subsection (e) hereof or (ii) no feed grains are
22 produced on the farm, and the producers have not filed an
23 agreement or a statement of intention to participate in the
24 payment program formulated pursuant to subsection (b)

1 of this section. The acreage required to be diverted from
2 the production of feed grains on the farm shall be an acreage
3 of cropland equal to the amount by which the base acreage
4 of feed grains for the farm exceeds the farm acreage allot-
5 ment for feed grains. The actual production of any crop
6 subject to penalty under this subsection shall be regarded
7 as available for marketing and the penalty on such crop
8 shall be computed on the actual acreage of such crop at
9 the rate of 65 per centum of the parity price per bushel,
10 as of May 1, of the calendar year in which the crop is har-
11 vested, of the feed grain determined by the Secretary to be
12 the principal feed grain produced in the county, multiplied
13 by the normal yield for such feed grain as defined in section
14 360h (a). Until the producers on any farm pay the penalty
15 on such crop, the entire crop of feed grains produced on the
16 farm and any subsequent crop of feed grains subject to mar-
17 keting quotas in which the producer has an interest shall be
18 subject to a lien in favor of the United States for the amount
19 of the penalty. Each producer having an interest in the
20 crop or crops on acreage diverted or required to be diverted
21 from the production of feed grains shall be jointly and sever-
22 ally liable for the entire amount of the penalty. The Sec-
23 retary may require the penalty on the production of crops on
24 the diverted acreage to be collected by the purchaser of feed
25 grains produced on the farm. The persons liable for the pay-

1 ment or collection of the penalty under this section shall be
2 liable also for interest thereon at the rate of 6 per centum
3 per annum from the date the penalty becomes due until
4 the date of payment of such penalty.

5 “(2) The Secretary may require that the acreage on
6 any farm diverted from the production of feed grains be land
7 which was diverted from the production of feed grains in the
8 previous year, to the extent he determines that such require-
9 ment is necessary to effectuate the purposes of this subtitle.

10 “(3) The Secretary may permit the diverted acreage to
11 be grazed in accordance with regulations prescribed by the
12 Secretary.

13 “(b) The Secretary is authorized to formulate and carry
14 out a program with respect to the 1963, 1964, and 1965
15 crops of feed grains under which, subject to such terms and
16 conditions as he determines are desirable to effectuate the
17 purposes of this section. Payments shall be in an amount
18 not to exceed the estimated normal production of feed grains
19 for the acreage diverted, multiplied by 50 per centum of the
20 estimated basic county support rates for feed grains in the
21 case of the 1963 crop, 40 per centum of the estimated basic
22 county support rate for feed grains in the case of the 1964
23 crop, and 30 per centum of the estimated basic county sup-
24 port rate for feed grains in the case of the 1965 crop.
25 The Secretary may permit the producers on the farm

1 to divert from the production of feed grains an acre-
2 age, in addition to the acreage diverted pursuant to sub-
3 section (a), equal to 20 per centum of the farm
4 acreage allotment for feed grains: *Provided*, That the
5 producers on any farm may, at their election, divert such
6 acreage, in addition to the acreage diverted pursuant to sub-
7 section (a), as will bring the total acreage diverted on the
8 farm to twenty-five acres. Such program shall require
9 (1) that the diverted acreage shall be devoted to con-
10 servation uses approved by the Secretary; (2) that the
11 total acreage of cropland on the farm devoted to soil-conserv-
12 ing uses, including summer fallow and idle land but exclud-
13 ing the acreage diverted as provided above and acreage di-
14 verted under the land-use provisions for wheat pursuant to
15 section 339, shall not be less than the total average acreage
16 of cropland devoted to soil-conserving uses including sum-
17 mer fallow and idle land on the farm during the base period
18 used in determining the farm acreage allotment adjusted to
19 the extent the Secretary determines appropriate for (i)
20 abnormal weather conditions or other factors affecting pro-
21 duction, (ii) established crop-rotation practices on the farm,
22 (iii) participation in the Conservation Reserve and other
23 Federal farm programs, (iv) unusually high percentage of
24 land on the farm devoted to conserving uses, and (v) other

1 factors which the Secretary determines should be considered
2 for the purpose of establishing a fair and equitable soil-con-
3 serving acreage for the farm; and (3) that the producers
4 shall not knowingly exceed (i) any farm acreage allotment
5 in effect for any commodity produced on the farm, and (ii)
6 except as the Secretary may by regulation prescribe, the
7 farm acreage allotments on any other farm for any crop in
8 which the producer has a share. The producer on any farm
9 for which a farm acreage allotment is established pursuant
10 to section 360d (c) (2) (C) shall not be eligible for pay-
11 ments hereunder. Payments may be made in cash or in
12 feed grains. The Secretary shall provide for the sharing
13 of payment among producers on the farm on a fair and equi-
14 table basis. The following factors shall be given considera-
15 tion in arriving at the division of payment:

16 “(1) The basis on which producers would have
17 shared in the production of feed grains had feed grains
18 been produced on the diverted acreage;

19 “(2) The savings or benefits accruing to each pro-
20 ducer on the diverted acreage;

21 “(3) The respective contribution of each producer
22 to the establishment and maintenance of the conserva-
23 tion use on the acreage designated as diverted from pro-
24 duction; and

1 “(4) The respective relationship of the diverted
2 acreage and increased conservation acreage to the various
3 ownership tracts comprising a farm.

4 “(c) Where a producer is not entitled to receive full
5 payment under the program formulated under subsection
6 (b) of this section because of failure to comply with the
7 terms and conditions of the program, the Secretary is au-
8 thorized to make partial payment to the producer proportion-
9 ate to the performance rendered.

10 “(d) Not to exceed 50 per centum of any payment to
11 producers under subsection (b) of this section may be
12 made in advance of determination of performance.

13 “(e) The Secretary may permit the diverted acreage
14 to be devoted to the production of guar, sesame, safflower,
15 sunflower, castor beans, malting barley, and flax, when such
16 crops are not in surplus supply and will not be in surplus
17 supply if permitted to be grown on the diverted acreage,
18 subject to the condition that payment with respect to di-
19 verted acreage devoted to any such crop shall be at a rate
20 determined by the Secretary to be fair and reasonable taking
21 into consideration the use of such acreage for the produc-
22 tion of such crops: *Provided*, That in no event shall the
23 payment exceed one-half the rate which would otherwise be
24 applicable if such acreage were devoted to conservation
25 uses.

1 “(f) If the Secretary permits the diverted acreage to be
2 grazed before October 1 or after April 1, no payment shall
3 be made for the acreage which is grazed.

4 “(g) The program formulated pursuant to subsection
5 (b) of this section may include such terms and conditions,
6 in addition to those specifically provided for herein, as the
7 Secretary determines are desirable to effectuate the purposes
8 of this section.

9 “(h) The Secretary is authorized to promulgate such
10 regulations as may be desirable to carry out the provisions
11 of this section.

12 “(i) The Commodity Credit Corporation is authorized
13 to utilize its capital funds and other assets for the purpose
14 of making the payments authorized in this section and to
15 pay administrative expenses necessary in carrying out this
16 section during the period ending June 30, 1963. There is
17 authorized to be appropriated such amounts as may be
18 necessary thereafter to pay such administrative expenses.

19 “(j) Notwithstanding any other provision of law, per-
20 formance rendered in good faith in reliance upon action or
21 advice of an authorized representative of the Secretary may
22 be accepted as meeting the requirements of this section, or
23 of subsections (c) and (d) of section 16 of the Soil Conser-
24 vation and Domestic Allotment Act, as amended, any pay-
25 ment may be made therefor in accordance with such action

1 or advice to the extent the Secretary deems it desirable in
2 order to provide fair and equitable treatment.”

3 SEC. 402. Section 2 of the Agricultural Adjustment Act
4 of 1938, as amended, is hereby amended by striking out
5 “and” immediately following the last semicolon, by changing
6 the period at the end thereof to a semicolon, and by adding
7 immediately following such new semicolon the following:
8 “and to reduce the annual carryover of feed grains, to stabi-
9 lize the supply of feed grains, and to provide for an adequate
10 and balanced flow of feed grains so that the prices of feed
11 grains are fair to producers and consumers and the total
12 supply of feed grains available for utilization for livestock
13 feed is maintained at a level which is consistent with the
14 production of the quantities of livestock and the products
15 thereof that will be consumed and exported at prices which
16 are fair to producers and consumers.”

17 SEC. 403. Section 301 of the Agricultural Adjustment
18 Act of 1938, as amended, is hereby amended as follows:

19 (1) Subsection (a) is amended by adding at the
20 end thereof the following new items:

21 “(10) The term ‘feed grains’ means corn, oats,
22 grain sorghums, and barley. The term ‘feed grains’
23 shall also include rye if the Secretary designates such
24 commodity.

25 “(11) The term ‘acreage of feed grains’ means

1 acreage of feed grains planted for harvest (including
2 self-seeded feed grains) .

3 “(12) The term ‘crop’ as applied to ‘feed grains’
4 means all of the crops of the agricultural commodities
5 which comprise feed grains and which are produced for
6 harvest in the same calendar year.”

7 (2) Subsection (b) (6) (A) is amended to read
8 as follows:

9 “(6) (A) ‘Market’, in the case of cotton, rice, to-
10 bacco, wheat, and feed grains, means to dispose of, in
11 raw or processed form, by voluntary or involuntary sale,
12 barter, or exchange, or by gift inter vivos, and, in the
13 case of wheat and feed grains, by feeding (in any form)
14 to poultry or livestock which, or the products of which,
15 are sold, bartered, or exchanged, or to be so disposed of.”

16 (3) Subsection (b) (7) is amended to read as
17 follows:

18 “(7) ‘Marketing year’ means, in the case of the
19 following commodities, the period beginning on the first
20 and ending with the second date specified below:

21 “Barley, July 1–June 30;

22 “Corn, October 1–September 30;

23 “Cotton, August 1–July 31;

24 “Oats, July 1–June 30;

25 “Grain sorghums, July 1–June 30;

1 “Peanuts, August 1–July 31;

2 “Rice, August 1–July 31;

3 “Rye, July 1–June 30;

4 “Tobacco (flue-cured), July 1–June 30;

5 “Tobacco (other than flue-cured), October 1–
6 September 30;

7 “Wheat, July 1–June 30;

8 “ ‘Marketing year’ means, in the case of ‘feed grains’,
9 the marketing years for the agricultural commodities
10 comprising the feed grains.”

11 SEC. 404. Sections 361, 362, and 363 of the Agricul-
12 tural Adjustment Act of 1938, as amended, are hereby
13 amended as follows:

14 (1) Section 361 is amended by adding “feed
15 grains,” after “wheat,” and by changing the period at
16 the end of the section to a comma and adding the follow-
17 ing: “and to the review of land-use penalties assessed
18 pursuant to sections 339 and 360j.”

19 (2) Section 362 is amended by adding at the end
20 thereof the following: “Notice of the land-use penalty
21 assessed pursuant to section 339 or 360j shall be mailed
22 to the farmer.”

1 (3) Section 363 is amended by adding “or land-
2 use penalty” after the word “quota” wherever it appears
3 in such section.

4 SEC. 405. Section 372 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by adding
6 “feed grains,” after “wheat,” in subsection (a) thereof.

7 SEC. 406. Sections 373, 374, and 375 of the Agricul-
8 tural Adjustment Act of 1938, as amended, are hereby
9 amended by deleting “corn” wherever it appears and by
10 substituting in lieu thereof “feed grains”; and subsection (b)
11 of section 375 of the Agricultural Adjustment Act of 1938,
12 as amended, is further amended by striking out the period at
13 the end of the sentence and inserting at the end thereof the
14 following: “or to effectuate the provisions thereof.”

15 SEC. 407. Section 385 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby amended by inserting
17 in the first sentence after “Soil Conservation Act payment,”
18 the following: “payment under section 360j,”.

19 SEC. 408. The amendments to the Agricultural Adjust-
20 ment Act of 1938, as amended, made by sections 401 through
21 407 of this Act shall be in effect only with respect to pro-
22 grams applicable to crops planted for harvest in the cal-

1 endar year 1963 or any subsequent year and to the mar-
2 keting years beginning in the calendar year 1963 or any sub-
3 sequent year.

4 SEC. 409. The Agricultural Act of 1949, as amended,
5 is amended as follows:

6 (1) By amending section 105 by deleting subsec-
7 tions (a) and (b) and substituting the following:

8 “(a) Notwithstanding the provisions of section 101 of
9 this Act, beginning with the 1963 crop—

10 “(1) price support for each crop of corn shall be
11 made available at such level not less than 65 per
12 centum or more than 90 per centum of the parity
13 price therefor as the Secretary determines appropriate
14 after consideration of (i) the factors specified in
15 section 401 (b) of this Act, (ii) the supplies of feed
16 grains that would be available during the marketing
17 year at prices approximating the support prices of feed
18 grains, and (iii) consumption goals during the market-
19 ing year for livestock and livestock products, taking into
20 consideration consumption under special governmental
21 programs, and imports and exports of livestock and live-
22 stock products;

23 “(2) price support for each crop of barley, grain
24 sorghums, oats, and rye, respectively, shall be at such
25 level as the Secretary determines is fair and reasonable

1 in relation to the level at which price support is made
2 available for corn, taking into consideration the feeding
3 value of such feed grain in relation to corn, location,
4 and buyer preference;

5 “(3) if marketing quotas are in effect for the crop
6 of any feed grain, price support for such crop shall be
7 made available only to cooperators;

8 “(4) no price support shall be made available for
9 any crop of a feed grain for which a marketing quota
10 is not in effect because of disapproval by producers; and

11 “(5) a ‘cooperator’ with respect to any crop of feed
12 grains produced on a farm shall be a producer who (i)
13 does not knowingly exceed (A) the farm acreage allot-
14 ment for feed grains or any other commodity on the farm
15 or (B) except as the Secretary may by regulation pre-
16 scribe, the farm acreage allotment on any other farm for
17 any commodity in which he has an interest as a producer,
18 and (ii) complies with the land-use requirements of
19 section 360j of the Agricultural Adjustment Act of 1938,
20 as amended, to the extent prescribed by the Secretary.

21 (2) By amending section 105 by redesignating
22 subsection (c) thereof as subsection (b).

23 (3) By amending section 401 by inserting after
24 the comma before “(2)” the following: “(2) the in-
25 come needed to provide a farm operator and his family

1 with a return for his labor and investment equal to the
2 return earned by comparable resources in other occupa-
3 tions", and by renumbering (2), (3), (4), (5), (6),
4 (7), and (8) as (3), (4), (5), (6), (7), (8),
5 and (9), respectively.

6 (4) By adding at the end of section 407 the
7 following: "Notwithstanding any other provision here-
8 of, if a marketing quota for feed grains for any mar-
9 keting year is disapproved by producers, the Commodity
10 Credit Corporation may sell for unrestricted use from
11 its stocks at market prices during such marketing year
12 not to exceed ten million tons, or the equivalent in
13 bushels, of feed grains.



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 11, 1962
For actions of April 10, 1962
87th-2d, No. 55

CONTENTS

Acreage allotments.....7	Highways.....25	Research.....23
Cotton.....7	Information.....24	Retirement.....14
Disaster relief.....27	Lands.....13	Roads.....25
Easter recess.....15	Legislative program.....15	Soil conservation.....4
Electrification.....11	Manpower training.....16	Textiles.....2
Export control.....10	Marketing orders.....1	Transportation.....6,21
Farm program.....1,8,22	Milk quotas.....17	Unemployment.....20
Foreign currencies.....5	Peace Corps.....15	Unemployment compensation.....12
Foreign trade.....2,10,18	Personnel.....14,28	Wool.....9
Grain storage.....19	REA.....24	Youth conservation.....26
Health benefits.....28	Reclamation.....3	

HIGHLIGHTS: House committee approved marketing order provisions of farm bill. House began debate on bill for agricultural import restrictions on nonparticipating countries in multilateral trade agreements. Senate committee reported bill for transfer of cotton allotments on flooded acreage. Sen. McNamara introduced and discussed road bill.

HOUSE

- 1. FARM PROGRAM.** The "Daily Digest" states that the Agriculture Committee "Met in executive session and approved title III (a) regarding marketing orders of H. R. 10010, the general farm bill." p. D266
- 2. FOREIGN TRADE.** Began debate on H. R. 10788, to amend section 204 of the Agricultural Act of 1956 to authorize the President to extend import-export controls to non-participants in multilateral agreements regarding agricultural commodities or products or textiles or products. pp. 5666-79
Rejected the following amendments:
By Rep. Findley, to extend this authority to all agreements, instead of limiting it to multilateral agreements only. p. 5677
By Rep. Gross, to require multilateral agreements in beef and beef products, pork and pork products, fresh and frozen lamb, poultry and poultry products, and dairy products before such agreements can be enforced in regard to cotton textiles; by a 46-76 vote. pp. 5678-9

Rejected an amendment by Rep. Findley to provide that section 204 of the Agricultural Act of 1956 shall expire after June 30, 1963. p. 5679

Rep. Clem Miller inserted two statements by producers on the effects of the proposed Trade Expansion Act of 1962 on our agricultural trade and said, "It is essential our products not be discriminated against." pp. 5708-9

3. RECLAMATION. The Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 9252, to defer the collection or irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project, and, with amendments, H. R. 23, to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Okla. p. D266
4. SOIL CONSERVATION. The Judiciary Committee voted to report (but did not actually report) S. Con. Res. 62, to commemorate the 25th anniversary of the establishment of soil conservation districts. p. D266
5. FOREIGN CURRENCIES. Received from the Banking and Currency Committee a supplemental report on the expenditure of foreign currencies and appropriated funds for travel outside the U. S. p. 5710
6. TRANSPORTATION. Rep. Siball commended various recommendations in the President's transportation message. p. 5704

SENATE

7. COTTON. The Agriculture and Forestry Committee reported without amendment H. R. 11027, to amend the Agricultural Adjustment Act of 1938 so as to extend to the 1962 crop the authority of the Secretary to permit operators of farms with flooded-out cotton acreage to transfer cotton acreage allotments to another farm operated by the farmer in the same or an adjoining county (S. Rept. 1327). p. 5726
8. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "continued its consideration of S. 2786, proposed Food and Agriculture Act of 1962, and tentatively adopted perfecting amendments to title I of the bill, relating to land-use adjustment, but did not conclude action thereon and will meet again tomorrow." p. D263
Sen. Carlson inserted the minutes of a meeting of a group of Greeley County, Kan., farmers favoring changes in the wheat and feed grain programs. p. 5734
9. WOOL. Sen. McGee inserted a report by Prof. Glenn Roehrkas, Univ. of Wyoming, on the economic value of the Wyo. sheep and wool industry to the economy of Wyo. pp. 5736-7
10. EXPORT CONTROL. Both Houses received from Commerce a proposed bill "to provide for continuation of authority for regulation of exports"; to S. and H. Banking and Currency Committees. pp. 5711, 5723
11. ELECTRIFICATION. Received from Interior a proposed bill "to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority"; to Interior and Insular Affairs Committee. p. 5723

[COMMITTEE PRINT NO. 12]

April 10, 1962

LAND-USE ADJUSTMENT

(As approved by the Committee on Agriculture, April 9, 1962)

H. R. 10010

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

1 (4) by adding a new subsection at the end of
2 section 16 of said Act to read as follows:

3 “(e) (1) For the purpose of promoting the conserva-
4 tion and economic use of land, the Secretary, without regard
5 to the foregoing provisions of this Act, except those relating
6 to the use of the services of State and local committees, is
7 authorized to enter into agreements, to be carried out during
8 such period not to exceed fifteen years as he may determine,
9 with farm and ranch owners and operators providing for
10 changes in cropping systems and land uses and for practices
11 or measures to be carried out on any lands owned or operated
12 by them for the purpose of conserving and developing soil,
13 water, forest, wildlife, and recreation resources. Such agree-
14 ments shall include such terms and conditions as the Secre-
15 tary may deem desirable to effectuate the purposes of this
16 subsection and may provide for payments, the furnishing of
17 materials and services, and other assistance, in amounts
18 determined by the Secretary to be fair and reasonable, in
19 consideration of the obligations undertaken by the farm and
20 ranch owners and operators and the rights acquired by the
21 Secretary.

22 “(2) The Secretary shall provide adequate safeguards
23 to protect the interests of tenants and sharecroppers, includ-
24 ing provision for sharing, on a fair and equitable basis, in pay-
25 ments under this subsection.

1 “(3) The Secretary may agree to such modification of
2 agreements previously entered into as he may determine to
3 be desirable to carry out the purposes of this subsection or to
4 facilitate the practical administration of the program carried
5 out pursuant to this subsection.

6 “(4) The Secretary shall issue such regulations as he
7 determines necessary to carry out the provisions of this
8 subsection.

9 “(5) There is hereby authorized to be appropriated
10 such sums as may be necessary to carry out this subsection.”

11 SEC. 102. Section 31 and subsection (e) of section 32
12 of title III of the Bankhead-Jones Farm Tenant Act (50
13 Stat. 525), as amended, are amended to read as follows:

14 “SEC. 31. The Secretary is authorized and directed to
15 develop a program of land conservation and land utilization,
16 including the more economic use of lands and the retirement
17 of lands which are submarginal or not primarily suitable for
18 cultivation, in order thereby to correct maladjustments in
19 land use, and thus assist in controlling soil erosion, reforesta-
20 tion, providing public recreation, preserving natural re-
21 sources, protecting fish and wildlife, mitigating floods, pre-
22 venting impairment of dams and reservoirs, conserving
23 surface and subsurface moisture, protecting the watersheds
24 of navigable streams, and protecting the public lands, health,
25 safety, and welfare.

1 “SEC. 32. To effectuate the program provided for in
2 section 31 of this title, the Secretary is authorized—

3 “(e) to cooperate, enter agreements with, or to
4 furnish financial or other aid to, any Federal, State,
5 territorial, or any other agency, governmental or other-
6 wise, in developing and carrying out plans for a program
7 of land conservation and land utilization, to conduct sur-
8 veys and investigations relating to conditions and fac-
9 tors affecting, and the methods of accomplishing most
10 effectively the purposes of this title, and to disseminate
11 information concerning these activities.”

12 SEC. 103. The Watershed Protection and Flood Preven-
13 tion Act (68 Stat. 666), as amended, is amended as follows:

14 (1) Paragraph (1) of section 4 of said Act is
15 amended by changing the semicolon at the end thereof
16 to a colon and adding the following: “*Provided, That*
17 when a local organization agrees to operate and maintain
18 any reservoir or other area included in a plan for public
19 fish and wildlife or recreational development, the Secre-
20 tary shall be authorized to bear not to exceed two-thirds
21 of the costs of (a) the land, easements, or rights-of-way
22 acquired or to be acquired by the local organization for
23 such reservoir or other area, and (b) minimum basic
24 facilities needed for public health and safety, access to,
25 and use of such reservoir or other area for such purposes:

1 *Provided further*, That the Secretary shall be authorized
2 to participate in not more than one recreational develop-
3 ment in a watershed project containing less than seventy-
4 five thousand acres, or two such developments in a project
5 containing between seventy-five thousand and one hun-
6 dred and fifty thousand acres, or three such developments
7 in projects exceeding one hundred and fifty thousand
8 acres: *Provided further*, That when the Secretary and
9 a local organization have agreed that the immediate ac-
10 quisition by the local organization of land, easements, or
11 rights-of-way is advisable for the preservation of sites for
12 works of improvement included in a plan from encroach-
13 ment by residential, commercial, industrial, or other de-
14 velopment, the Secretary shall be authorized to ad-
15 vance to the local organization from funds appropriated
16 for construction of works of improvement the amounts
17 required for the acquisition of such land, easements or
18 rights-of-way; and, except where such costs are to be
19 borne by the Secretary, such advance shall be repaid by
20 the local organization, without interest, prior to con-
21 struction of the works of improvement, for credit to such
22 construction funds.”

23 (2) Clause (A) of paragraph 2 of section 4 of said
24 Act is amended to read as follows: “(A) such propor-

tionate share, as is determined by the secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and”.

SEC. 104. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out “more than five thousand acre-feet of floodwater detention capacity” and inserting in lieu thereof “more than twelve thousand five hundred acre-feet of floodwater detention capacity”.

SEC. 105. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

“(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided*, That, in addition to and

without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further*, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further*, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made

1 until such supply is first used, and (2) no interest shall
2 be charged on the cost of such water supply storage for
3 anticipated future demands until such supply is first used,
4 but in no case shall the interest-free period exceed ten
5 years. The interest rate used for purposes of computing
6 the interest on the unpaid balance shall be determined
7 in accordance with the provisions of section 8.”

8 SEC. 106. Section 5 of the Watershed Protection and
9 Flood Prevention Act (68 Stat. 666), as amended, is
10 amended to read as follows:

11 “SEC. 5. (1) At such time as the Secretary and the
12 interested local organization have agreed on a plan for works
13 of improvement, and the Secretary has determined that the
14 benefits exceed the costs, and the local organization has met
15 the requirements for participation in carrying out the works
16 of improvement as set forth in section 4, the local organiza-
17 tion may secure engineering and other services, including
18 the design, preparation of contracts and specifications, award-
19 ing of contracts, and supervision of construction, in connec-
20 tion with such works of improvement, by retaining or
21 employing a professional engineer or engineers satisfactory
22 to the Secretary or may request the Secretary to provide
23 such services: *Provided*, That if the local organization elects
24 to employ a professional engineer or engineers, the Secretary
25 shall reimburse the local organization for the costs of such

1 engineering and other services secured by the local organiza-
2 tion as are properly chargeable to such works of improve-
3 ment in an amount not to exceed the amount agreed upon in
4 the plan for works of improvement or any modification
5 thereof: *Provided further*, That the Secretary may advance
6 such amounts as may be necessary to pay for such services,
7 but such advances with respect to any works of improvement
8 shall not exceed 5 per centum of the estimated installation
9 cost of such works.

10 “(2) Except as to the installation of works of improve-
11 ment on Federal lands, the Secretary shall not construct
12 or enter into any contract for the construction of any
13 structure.

14 “(3) Whenever the estimated Federal contribution to
15 the construction cost of works of improvement in the plan
16 for any watershed or subwatershed area shall exceed
17 \$250,000 or the works of improvement include any struc-
18 ture having a total capacity in excess of twenty-five hundred
19 acre-feet, the Secretary shall transmit a copy of the plan
20 and the justification therefor to the Congress through the
21 President.

22 “(4) Any plan for works of improvement involving
23 an estimated Federal contribution to construction costs in
24 excess of \$250,000 or including any structure having a
25 total capacity in excess of twenty-five hundred acre-feet

1 (a) which includes reclamation or irrigation works or which
2 affects public or other lands or wildlife under the juris-
3 diction of the Secretary of the Interior, or (b) which in-
4 cludes Federal assistance for floodwater detention struc-
5 tures, shall be submitted to the Secretary of the Interior
6 or the Secretary of the Army, respectively, for his views
7 and recommendations at least thirty days prior to trans-
8 mission of the plan to the Congress through the President.
9 The views and recommendations of the Secretary of the
10 Interior, and the Secretary of the Army, if received by
11 the Secretary prior to the expiration of the above thirty-
12 day period, shall accompany the plan transmitted by the
13 Secretary to the Congress through the President.

14 “(5) Prior to any Federal participation in the works of
15 improvement under this Act, the President shall issue such
16 rules and regulations as he deems necessary or desirable
17 to carry out the purposes of this Act, and to assure the
18 coordination of the work authorized under this Act and
19 related work of other agencies, including the Department of
20 the Interior and the Department of the Army.”

21 SEC. 107. The last proviso of section 7 of the Water-
22 shed Protection and Flood Prevention Act, 68 Stat. 666, as
23 amended, is amended to read as follows: “*Provided further,*
24 That in connection with the eleven watershed improvement
25 programs authorized by section 13 of the Act of December

1 22, 1944 (58 Stat. 887) , as amended and supplemented, the
2 Secretary of Agriculture is authorized to prosecute additional
3 works of improvement for the conservation, development,
4 utilization, and disposal of water in accordance with the pro-
5 visions of section 4 of this Act or any amendments hereafter
6 made thereto”.

○

[COMMITTEE PRINT NO. 13]

April 10, 1962

GENERAL PROVISIONS

(As approved by the Committee on Agriculture, April 9, 1962)

H. R. 10010

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. The Consolidated Farmers Home Admin-
3 istration Act of 1961 (75 Stat. 307) is amended as follows:

4 (1) By striking out the period at the end of sec-
5 tion 304 and inserting a comma and the following:
6 “including, subject to all the provisions of section 302,
7 recreational uses and facilities.”;

8 (2) By inserting in section 306 (a) after the words
9 “soil conservation practices” the words “shifts in land
10 use including the development of recreational facilities”,

1 and by inserting after the word “drainage” the words
2 “or sewer”;

3 (3) By striking out in section 309 (f) (1) the
4 figure “\$10,000,000” and inserting in lieu thereof the
5 figure “\$25,000,000”; and

6 (4) By inserting in section 312 after the words
7 “and conservation” the words “including recreational
8 uses and facilities”.

9 SEC. 502. If any provision of this Act is declared uncon-
10 stitutional, or the applicability thereof to any person or
11 circumstance is held invalid, the validity of the remainder of
12 this Act and the applicability thereof to other persons and
13 circumstances shall not be affected thereby.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued April 12, 1962
For actions of April 11, 1962
87th-2d, No. 56

CONTENTS

Acresage allotments.....24	General supply fund.....1	Research.....31
Appropriations.....1,7,10	Health benefits.....23	Retirement.....23
Disaster relief.....1	Lands.....29	Rice.....22
Electrification...14,18,25	Legislative program.....7	River basin.....1
Extension work.....30	Minerals.....11	Safety.....19
Fair.....1	Peace Corps.....3	Saline water.....5
Farm program.....2,8,16,27	Personnel.....23	School lunch.....22
Flood insurance.....17	Prices.....28	Small business.....1
Foreign currencies.....12	Public works.....21	Surplus food.....20
Foreign trade.....6,9,15	Reclamation.....13	Virgin Islands.....26
Forestry.....4,29	Recreation.....4	Wheat.....24

HIGHLIGHTS: Senate committee approved land-use adjustment provisions of farm bill. Senate committee reported supplemental appropriation bill. House committee approved dairy provisions of farm bill. House passed bill for agricultural import restrictions on nonparticipating countries in multilateral trade agreements. Rep. Cooley introduced farm bill.

SENATE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1962. The Appropriations Committee reported with amendments this bill, H. R. 11038 (S. Rept. 1341), which includes items for ARS, AMS, FHA, and Forest Service (see table at end of this Digest for a summary of these items). The bill also includes \$25,000,000 for disaster relief assistance to States and local governments, \$15,000,000 for U. S. participation in the New York World's Fair, \$20,000 for payment of the U. S. share of current expenses of the Delaware River Basin Commission, \$10,000,000 additional capital for the GSA general supply fund to provide for increased sales, and \$85,000,000 increased capital for the revolving fund of the Small Business Administration. p. 5780

Sens. Williams, Del., and Holland submitted notices of intention to move to suspend the rules for the purposes of offering amendments to this bill. pp. 5782-3

2. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "continued its executive consideration of S. 2786, proposed Food and Agriculture Act of 1962, and approved with amendments title 1 of the bill -- Land-Use Adjustment -- and approved perfecting amendments to title 2 of the bill -- Agricultural Trade Development -- but did not conclude action thereon, and will meet again tomorrow." p. D270
3. PEACE CORPS. S. 2935, to amend the Peace Corps Act, was made the unfinished business. pp. 5834-5
4. FORESTRY; RECREATION. Sens. Clark, Douglas, Humphrey, Smith (Mass.), Morse, Metcalf, Moss, Hart, Engle, Long (Mo.), Hartke, Long (Hawaii), Fulbright, Cooper, Carroll, Byrd (W. Va.), McGee, and Aiken were added as additional cosponsors of S. 3117, to promote the coordination and development of Federal and State programs relating to outdoor recreation. p. 5783
Sens. Clark, Douglas, Humphrey, Smith (Mass.), Morse, Metcalf, Moss, Hart, Engle, Long (Mo.), Magnuson, Mansfield, Long (Hawaii), Chavez, Bartlett, Cooper, Carroll, Byrd (W. Va.), Williams (N. J.), McGee, Hayden, Church, Burdick, Bible, and Aiken were added as additional cosponsors of S. 3118, to provide for the establishment of a land conservation fund. pp. 5783-4
5. SALINE WATER. Sen. Anderson inserted a report on the survey of the Freeport, Texas, sea water conversion system stating that "important design changes will be required for future distillation plants." pp. 5788-9
6. FOREIGN TRADE. Sen. Keating spoke in favor of his proposal to give Congress the authority to veto foreign trade agreements. pp. 5840-1
7. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the supplemental appropriation bill will be considered next Mon., Apr. 16. p. 5833

HOUSE

8. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "Met in executive session and approved subtitle C of title IV (amended, regarding dairy) of H. R. 11222 (a clean bill introduced in lieu of H. R. 10010), the general farm bill." p. D273
9. FOREIGN TRADE. By a vote of 312 to 80, passed without amendment H. R. 10788, to amend section 204 of the Agricultural Act of 1956 to authorize the President to extend import-export controls to non-participants in multilateral agreements regarding agricultural commodities or products or textiles or textile products. pp. 5843-4
Rep. Giaimo discussed the impact of the proposed Trade Expansion Act of 1962 on employment in the U. S. and inserted an explanatory statement from the Labor Department on trade adjustment assistance for workers. pp. 5872-3
Rep. Curtis, Mo., inserted several editorials that "raise some serious questions about White House lobbying on the trade bill." pp. 5873-4
10. APPROPRIATIONS. Passed without amendment H. R. 11151, the legislative branch appropriation bill, 1963. pp. 5848-61
The Appropriations Committee was granted until midnight Fri., Apr. 13, to file a report on the Defense Department Appropriation bill for 1963. pp. 5861-2
11. MINERALS. The Interior and Insular Affairs Committee reported with amendments H. R. 10566, to provide for the withdrawal and orderly disposition of mineral

[COMMITTEE PRINT NO. 14]

April 11, 1962

AGRICULTURAL TRADE DEVELOPMENT

(As approved by the Committee on Agriculture, April 9, 1962)

H. R. 10010

1 **TITLE II—AGRICULTURAL TRADE**

2 **DEVELOPMENT**

3 SEC. 201. Title IV of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended, is further
5 amended as follows:

6 (1) Section 401 is amended by adding at the end
7 thereof the following new sentence: "It is also the pur-
8 pose of this title to stimulate and increase the sale of
9 surplus agricultural commodities for dollars through
10 long-term supply agreements and through the extension
11 of credit for the purchase of such commodities, by agree-

1 ments either with foreign nations or with the private
2 trade, thereby assisting the development of the econ-
3 omies of friendly nations and maximizing dollar trade.

4 (2) Section 402 is amended—

5 (a) by inserting the words “including financial
6 institutions acting in behalf of such nations” after
7 the words “friendly nations”; and

8 (b) by adding at the end thereof the follow-
9 ing new sentence: “In furtherance of the purpose of
10 maximizing dollar sales through the private trade,
11 the Secretary of Agriculture is authorized to enter
12 into sales agreements with foreign and United States
13 private trade under which he shall undertake to pro-
14 vide for the delivery of surplus agricultural com-
15 modities over such periods of time and under the
16 terms and conditions set forth in this title.”

17 (3) Section 403 is amended—

18 (a) by deleting the words “approximately
19 equal” from the last sentence thereof and substitut-
20 ing therefor the word “reasonable”; and

21 (b) by inserting after the word “agreement” in
22 the last sentence thereof the following: “except that
23 the date for beginning such annual payments may

1 be deferred for a period not later than two years
2 after such date of last delivery;”

3 (4) Section 405 is amended to read as follows:

4 “In entering into such agreements, the Secretary may
5 enter into agreements with other exporting nations of
6 such commodities for their participation in the supply
7 and assistance program herein authorized on a propor-
8 tionate and equitable basis.”

9 (5) Section 406 is amended by inserting after the
10 word “Sections” the following: “101 (b) and (c)”.

11 SEC. 202. Section 416 of the Agricultural Act of 1949,
12 as amended, is further amended by inserting in clause (4)
13 after the words “needy persons” the words “and in non-
14 profit school-lunch programs”.

15 SEC. 203. Section 308 of the Agricultural Trade Devel-
16 opment and Assistance Act of 1954, as amended, is further
17 amended by inserting after the words “needy persons” the
18 words “and in nonprofit school-lunch programs”.

19 SEC. 204. Section 9 of the Act of September 6, 1958
20 (Public Law 85-931), is amended by inserting after the
21 words “needy persons” the words “and in nonprofit school-
22 lunch programs”.

23 SEC. 205. Commodities may be made available for

1 school-lunch programs outside the United States only if the
2 Secretary receives assurance satisfactory to him that there
3 will be student participation in the financing of such pro-
4 grams on the basis of ability to pay comparable to that re-
5 quired in school-lunch programs in the United States.

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[COMMITTEE PRINT NO. 15]

April 11, 1962

MARKETING ORDERS

(As approved by the Committee on Agriculture, April 10, 1962)

H. R. 10010

1 TITLE III—MARKETING ORDERS

2 SEC. 301. The Agricultural Adjustment Act, as reen-
3 acted and amended by the Agricultural Marketing Agree-
4 ment Act of 1937, as amended, is further amended as
5 follows:

6 Section 8c (2) is amended by—

7 (1) striking out in (A) thereof “(not including
8 vegetables other than asparagus for canning or freez-
9 ing)” and inserting in lieu thereof “(not including
10 vegetables other than asparagus for canning or freezing,
11 or potatoes for dehydrating)”; and

12 (2) inserting in (B) thereof after “fruits and vege-
13 tables for canning or freezing” the following “, potatoes
14 for dehydrating”.

J. 82460



87TH CONGRESS
2^D SESSION

H. R. 11222

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Food and Agriculture
- 4 Act of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 " (e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 changes in cropping systems and land uses and for practices
23 or measures to be carried out on any lands owned or operated
24 by them for the purpose of conserving and developing soil,

1 water, forest, wildlife, and recreation resources. Such agree-
2 ments shall include such terms and conditions as the Secre-
3 tary may deem desirable to effectuate the purposes of this
4 subsection and may provide for payments, the furnishing of
5 materials and services, and other assistance, in amounts
6 determined by the Secretary to be fair and reasonable, in
7 consideration of the obligations undertaken by the farm and
8 ranch owners and operators and the rights acquired by the
9 Secretary.

10 “(2) The Secretary shall provide adequate safeguards
11 to protect the interests of tenants and sharecroppers, includ-
12 ing provision for sharing, on a fair and equitable basis, in pay-
13 ments under this subsection.

14 “(3) The Secretary may agree to such modification of
15 agreements previously entered into as he may determine to
16 be desirable to carry out the purposes of this subsection or to
17 facilitate the practical administration of the program carried
18 out pursuant to this subsection.

19 “(4) The Secretary shall issue such regulations as he
20 determines necessary to carry out the provisions of this
21 subsection.

22 “(5) There is hereby authorized to be appropriated
23 such sums as may be necessary to carry out this subsection.”

24 SEC. 102. Section 31 and subsection (e) of section 32

1 of title III of the Bankhead-Jones Farm Tenant Act (50
2 Stat. 525), as amended, are amended to read as follows:

3 “SEC. 31. The Secretary is authorized and directed to
4 develop a program of land conservation and land utilization,
5 including the more economic use of lands and the retirement
6 of lands which are submarginal or not primarily suitable for
7 cultivation, in order thereby to correct maladjustments in
8 land use, and thus assist in controlling soil erosion, reforesta-
9 tion, providing public recreation, preserving natural re-
10 sources, protecting fish and wildlife, mitigating floods, pre-
11 venting impairment of dams and reservoirs, conserving
12 surface and subsurface moisture, protecting the watersheds
13 of navigable streams, and protecting the public lands, health,
14 safety, and welfare.

15 “SEC. 32. To effectuate the program provided for in
16 section 31 of this title, the Secretary is authorized—

17 “(e) to cooperate with, enter into agreements with,
18 or to furnish financial or other aid to, any Federal, State,
19 territorial, or any other agency, governmental or other-
20 wise, in developing and carrying out plans for a program
21 of land conservation and land utilization, to conduct sur-
22 veys and investigations relating to conditions and fac-
23 tors affecting, and the methods of accomplishing most
24 effectively the purposes of this title, and to disseminate
25 information concerning these activities.”

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided, That* when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed two-thirds of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further, That* the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further, That* when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for

1 works of improvement included in a plan from encroach-
2 ment by residential, commercial, industrial, or other de-
3 velopment, the Secretary shall be authorized to ad-
4 vance to the local organization from funds appropriated
5 for construction of works of improvement the amounts
6 required for the acquisition of such land, easements or
7 rights-of-way; and, except where such costs are to be
8 borne by the Secretary, such advance shall be repaid by
9 the local organization, without interest, prior to con-
10 struction of the works of improvement, for credit to such
11 construction funds.”

12 (2) Clause (A) of paragraph 2 of section 4 of said
13 Act is amended to read as follows: “(A) such propor-
14 tionate share, as is determined by the secretary to be
15 equitable in consideration of national needs and assist-
16 ance authorized for similar purposes under other Federal
17 programs, of the costs of installing any works of improve-
18 ment, involving Federal assistance (excluding engineer-
19 ing costs), which is applicable to the agricultural phases
20 of the conservation, development, utilization, and dis-
21 posal of water or for fish and wildlife or recreational
22 development, and”.

23 SEC. 104. Section 2 of the Watershed Protection and
24 Flood Prevention Act (68 Stat. 666), as amended, is
25 amended by striking out “more than five thousand acre-feet

1 of floodwater detention capacity” and inserting in lieu there-
2 of “more than twelve thousand five hundred acre-feet of
3 floodwater detention capacity”.

4 SEC. 105. Clause (B) of paragraph 2 of section 4 of
5 the Watershed Protection and Flood Prevention Act (68
6 Stat. 666), as amended, is amended to read as follows:

7 “(B) all of the cost of installing any portion of
8 such works applicable to other purposes except that any
9 part of the construction cost (including engineering costs)
10 applicable to flood prevention and features relating there-
11 to shall be borne by the Federal Government and paid
12 for by the Secretary out of funds appropriated for the
13 purposes of this Act: *Provided*, That, in addition to and
14 without limitation on the authority of the Secretary to
15 make loans or advancements under section 8, the Sec-
16 retary may pay for any storage of water for anticipated
17 future demands or needs for municipal or industrial
18 water included in any reservoir structure constructed or
19 modified under the provisions of this Act not to exceed
20 30 per centum of the total estimated cost of such reser-
21 voir structure where the local organization gives rea-
22 sonable assurances, and there is evidence, that such de-
23 mands for the use of such storage will be made within
24 a period of time which will permit repayment of the
25 cost of such water supply storage within the life of the

1 reservoir structure: *Provided further*, That the local or-
2 ganization shall agree prior to initiation of construction
3 or modification of any reservoir structure including such
4 water supply storage to repay the cost of such water
5 supply storage for anticipated future demands: *And*
6 *provided further*, That the entire amount of the cost
7 paid by the Secretary for such water supply storage for
8 anticipated future demands shall be repaid within the
9 life of the reservoir structure but in no event to exceed
10 fifty years after the reservoir structure is first used for
11 the storage of water for water supply purposes, except
12 that (1) no repayment of the cost of such water supply
13 storage for anticipated future demands need be made
14 until such supply is first used, and (2) no interest shall
15 be charged on the cost of such water supply storage for
16 anticipated future demands until such supply is first used,
17 but in no case shall the interest-free period exceed ten
18 years. The interest rate used for purposes of computing
19 the interest on the unpaid balance shall be determined
20 in accordance with the provisions of section 8.”

21 SEC. 106. Section 5 of the Watershed Protection and
22 Flood Prevention Act (68 Stat. 666), as amended, is
23 amended to read as follows:

24 “SEC. 5. (1) At such time as the Secretary and the
25 interested local organization have agreed on a plan for works

1 of improvement, and the Secretary has determined that the
2 benefits exceed the costs, and the local organization has met
3 the requirements for participation in carrying out the works
4 of improvement as set forth in section 4, the local organiza-
5 tion may secure engineering and other services, including
6 the design, preparation of contracts and specifications, award-
7 ing of contracts, and supervision of construction, in connec-
8 tion with such works of improvement, by retaining or
9 employing a professional engineer or engineers satisfactory
10 to the Secretary or may request the Secretary to provide
11 such services: *Provided*, That if the local organization elects
12 to employ a professional engineer or engineers, the Secretary
13 shall reimburse the local organization for the costs of such
14 engineering and other services secured by the local organiza-
15 tion as are properly chargeable to such works of improve-
16 ment in an amount not to exceed the amount agreed upon in
17 the plan for works of improvement or any modification
18 thereof: *Provided further*, That the Secretary may advance
19 such amounts as may be necessary to pay for such services,
20 but such advances with respect to any works of improvement
21 shall not exceed 5 per centum of the estimated installation
22 cost of such works.

23 “(2) Except as to the installation of works of improve-
24 ment on Federal lands, the Secretary shall not construct

1 or enter into any contract for the construction of any
2 structure.

3 “(3) Whenever the estimated Federal contribution to
4 the construction cost of works of improvement in the plan
5 for any watershed or subwatershed area shall exceed
6 \$250,000 or the works of improvement include any struc-
7 ture having a total capacity in excess of twenty-five hundred
8 acre-feet, the Secretary shall transmit a copy of the plan
9 and the justification therefor to the Congress through the
10 President.

11 “(4) Any plan for works of improvement involving
12 an estimated Federal contribution to construction costs in
13 excess of \$250,000 or including any structure having a
14 total capacity in excess of twenty-five hundred acre-feet
15 (a) which includes reclamation or irrigation works or which
16 affects public or other lands or wildlife under the juris-
17 diction of the Secretary of the Interior, or (b) which in-
18 cludes Federal assistance for floodwater detention struc-
19 tures, shall be submitted to the Secretary of the Interior
20 or the Secretary of the Army, respectively, for his views
21 and recommendations at least thirty days prior to trans-
22 mission of the plan to the Congress through the President.
23 The views and recommendations of the Secretary of the

1 Interior, and the Secretary of the Army, if received by
2 the Secretary prior to the expiration of the above thirty-
3 day period, shall accompany the plan transmitted by the
4 Secretary to the Congress through the President.

5 “(5) Prior to any Federal participation in the works of
6 improvement under this Act, the President shall issue such
7 rules and regulations as he deems necessary or desirable
8 to carry out the purposes of this Act, and to assure the
9 coordination of the work authorized under this Act and
10 related work of other agencies, including the Department of
11 the Interior and the Department of the Army.”

12 SEC. 107. The last proviso of section 7 of the Water-
13 shed Protection and Flood Prevention Act, 68 Stat. 666, as
14 amended, is amended to read as follows: “*Provided further,*
15 That in connection with the eleven watershed improvement
16 programs authorized by section 13 of the Act of December
17 22, 1944 (58 Stat. 887), as amended and supplemented, the
18 Secretary of Agriculture is authorized to prosecute additional
19 works of improvement for the conservation, development,
20 utilization, and disposal of water in accordance with the pro-
21 visions of section 4 of this Act or any amendments hereafter
22 made thereto”.

TITLE II—AGRICULTURAL TRADE

DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

(a) by inserting the words "including financial institutions acting in behalf of such nations" after the words "friendly nations"; and

(b) by adding at the end thereof the following new sentence: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural com-

1 commodities over such periods of time and under the
2 terms and conditions set forth in this title.”

3 (3) Section 403 is amended—

4 (a) by deleting the words “approximately
5 equal” from the last sentence thereof and substitut-
6 ing therefor the word “reasonable”; and

7 (b) by inserting after the word “agreement” in
8 the last sentence thereof the following: “except that
9 the date for beginning such annual payments may
10 be deferred for a period not later than two years
11 after such date of last delivery;”

12 (4) Section 405 is amended to read as follows:

13 “In entering into such agreements, the Secretary may
14 enter into agreements with other exporting nations of
15 such commodities for their participation in the supply
16 and assistance program herein authorized on a propor-
17 tionate and equitable basis.”

18 (5) Section 406 is amended by inserting after the
19 word “Sections” the following: “101 (b) and (c)”.

20 SEC. 202. Section 416 of the Agricultural Act of 1949,
21 as amended, is further amended by inserting in clause (4)
22 after the words “needy persons” the words “and in non-
23 profit school-lunch programs”.

24 SEC. 203. Section 308 of the Agricultural Trade Devel-
25 opment and Assistance Act of 1954, as amended, is further

1 amended by inserting after the words “needy persons” the
2 words “and in nonprofit school-lunch programs”.

3 SEC. 204. Section 9 of the Act of September 6, 1958
4 (Public Law 85-931), is amended by inserting after the
5 words “needy persons” the words “and in nonprofit school-
6 lunch programs”.

7 SEC. 205. Commodities may be made available for
8 school-lunch programs outside the United States only if the
9 Secretary receives assurance satisfactory to him that there
10 will be student participation in the financing of such pro-
11 grams on the basis of ability to pay comparable to that re-
12 quired in school-lunch programs in the United States.

13 TITLE III—MARKETING ORDERS

14 SEC. 301. The Agricultural Adjustment Act, as reen-
15 acted and amended by the Agricultural Marketing Agree-
16 ment Act of 1937, as amended, is further amended as
17 follows:

18 Section 8c(2) is amended by—

19 (1) striking out in (A) thereof “(not including
20 vegetables other than asparagus for canning or freez-
21 ing)” and inserting in lieu thereof “(not including
22 vegetables other than asparagus for canning or freezing,
23 or potatoes for dehydrating)”; and

24 (2) inserting in (B) thereof after “fruits and vege-

tables for canning or freezing" the following " , potatoes for dehydrating".

TITLE IV—COMMODITY PROGRAMS

SUBTITLE A—FEED GRAINS

SEC. 401. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"PART VII—MARKETING QUOTAS—FEED GRAINS

"LEGISLATIVE FINDINGS

"SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and

1 livestock products is directed. Deficient supplies of feed
2 grains result in substantial decreases in livestock production
3 and in an inadequate flow of livestock and livestock products
4 in interstate and foreign commerce, with the consequence of
5 unreasonably high prices to consumers and loss of markets
6 for producers.

7 “The principal grains used for livestock feed are corn,
8 barley, grain sorghums, and oats. Although certain feed
9 grains are better suited for production in some areas than
10 other feed grains, in general, one of several feed grains can
11 be grown on the same land. A marketing program which
12 provides for a single quota applicable to feed grains and
13 which permits producers to determine, within the quota,
14 which feed grains they shall produce will tend to effectuate
15 the policy of the Act and will permit producers the maximum
16 amount of freedom of choice consistent with the attainment
17 of the policy of the Act.

18 “The conditions affecting the production and marketing
19 of feed grains are such that, without Federal assistance,
20 farmers, individually or in cooperation, cannot effectively
21 provide for a balanced supply of feed grains and the orderly
22 marketing of feed grains in interstate and foreign commerce
23 at prices which are fair and reasonable to farmers and
24 consumers.

25 “The national public interest and general welfare require

1 that the burdens on interstate and foreign commerce above
2 described be removed by the exercise of Federal power.
3 Feed grains which do not move in the form of feed grains
4 outside of the State where they are produced are so closely
5 and substantially related to feed grains which move in the
6 form of feed grains outside of the State where they are pro-
7 duced, and have such a close and substantial relation to the
8 volume and price of livestock and livestock products in inter-
9 state and foreign commerce, that it is necessary to regulate
10 feed grains which do not move outside of the State where
11 they are produced to the extent set forth in this Act.

12 “The diversion of substantial acreages from feed grains
13 to the production of commodities which are in surplus supply
14 or which will be in surplus supply if they are permitted to be
15 grown on the diverted acreage would burden, obstruct, and
16 adversely affect interstate and foreign commerce in such
17 commodities, and would adversely affect the prices of such
18 commodities in interstate and foreign commerce. Small
19 changes in the supply of a commodity could create a sufficient
20 surplus to affect seriously the price of such commodity in
21 interstate and foreign commerce. Large changes in the
22 supply of such commodity could have a more acute effect on
23 the price of the commodity in interstate and foreign com-
24 merce and, also, could overtax the handling, processing, and

1 transportation facilities through which the flow of interstate
2 and foreign commerce in such commodity is directed. Such
3 adverse effects caused by overproduction in one year could
4 further result in a deficient supply of the commodity in the
5 succeeding year, causing excessive increases in the price of
6 the commodity in interstate and foreign commerce in such
7 year. It is, therefore, necessary to prevent acreage diverted
8 from the production of feed grains to be used to produce com-
9 modities which are in surplus supply or which will be in
10 surplus supply if they are permitted to be grown on the di-
11 verted acreage.

12 "NATIONAL MARKETING QUOTA

13 "SEC. 360b. (a) Whenever prior to June 20 in any
14 calendar year the Secretary determines that the total supply
15 of feed grains in the marketing year beginning in the next
16 succeeding calendar year will, in the absence of a marketing
17 quota program, likely be excessive, the Secretary shall pro-
18 claim that a national marketing quota for feed grains shall
19 be in effect for such marketing year and for either the
20 following marketing year or the following two marketing
21 years, if the Secretary determines and declares in such
22 proclamation that a two- or three-year marketing quota
23 program is necessary to effectuate the policy of the Act.

24 "(b) If a national marketing quota for feed grains has
25 been proclaimed for any marketing year, the Secretary shall

1 determine and proclaim the amount of the national market-
2 ing quota for such marketing year not earlier than January
3 1 or later than June 20 of the calendar year preceding the
4 year in which such marketing year begins. The amount of
5 the national marketing quota for feed grains for any market-
6 ing year shall be an amount of feed grains which, during such
7 marketing year, the Secretary estimates (i) will be utilized
8 in the United States in the production of the volume of live-
9 stock (including poultry) and livestock products determined
10 to be needed to meet domestic consumption and export re-
11 quirements, (ii) will be utilized for human consumption in
12 the United States as food, food products, and beverages, com-
13 posed wholly or partly of feed grains, (iii) will be utilized
14 in the United States for seed and industrial uses, and (iv)
15 will be exported either in the form of feed grains or products
16 thereof; less (A) an amount of feed grains equal to the esti-
17 mated imports of feed grains into the United States during
18 such marketing year and, (B) if the stocks of feed grains
19 owned by the Commodity Credit Corporation are determined
20 by the Secretary to be excessive, an amount of feed grains not
21 to exceed 7 per centum of items (i), (ii), (iii), and (iv)
22 above, determined by the Secretary to be a desirable reduc-
23 tion in such marketing year in such stocks to achieve the
24 policy of the Act: *Provided*, That if the Secretary determines
25 that the total stocks of feed grains in the Nation are insuffi-

1 cient to assure an adequate carryover for the next succeeding
2 marketing year, the national marketing quota otherwise de-
3 termined shall be increased by the amount the Secretary
4 determines to be necessary to assure an adequate carryover.

5 “(c) If, after the proclamation of a national marketing
6 quota for feed grains for any marketing year, the Secretary
7 has reason to believe that, because of a national emergency
8 or because of a material increase in the demand for feed
9 grains, the national marketing quota should be terminated or
10 the amount thereof increased, he shall cause an immediate
11 investigation to be made to determine whether such action is
12 necessary in order to meet such emergency or increase in the
13 demand for feed grains. If, on the basis of such investiga-
14 tion, the Secretary finds that such action is necessary, he
15 shall immediately proclaim such finding and the amount of
16 any such increase found by him to be necessary and there-
17 upon such national marketing quota shall be so increased or
18 terminated. In case any national marketing quota is in-
19 creased under this subsection, the Secretary shall provide for
20 such increase by increasing acreage allotments established
21 under this part by a uniform percentage.

22 “NATIONAL ACREAGE ALLOTMENT

23 “SEC. 360c. Whenever the amount of the national
24 marketing quota for feed grains is proclaimed for any mar-
25 keting year, the Secretary at the same time shall proclaim

1 a national acreage allotment for the crop of feed grains
2 planted for harvest in the calendar year in which such
3 marketing year begins. The amount of the national acreage
4 allotment shall be the number of acres which the Secretary
5 determines on the basis of expected yields and expected
6 underplantings of farm acreage allotments will, together with
7 the expected production on increased acreages resulting from
8 the small-farm exemption pursuant to section 360f, make
9 available a supply of feed grains equal to the national
10 marketing quota for feed grains for such marketing year.

11 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

12 "SEC. 360d. (a) The national acreage allotment for
13 any crop of feed grains, less a reserve acreage of not to
14 exceed 1 per centum thereof for use as provided in sub-
15 section (b) (2) of this section, shall be apportioned by the
16 Secretary among the several States on the basis of the base
17 acreage of feed grains for each State. The State base acreage
18 of feed grains shall be the average acreage of feed grains
19 in the State during the base period, adjusted pursuant to
20 subsection (d) of this section.

21 "(b) (1) The State acreage allotment for any crop of
22 feed grains, less a reserve acreage of not to exceed 3 per
23 centum thereof for use as provided in subsection (c) (2) of
24 this section, shall be apportioned by the Secretary among
25 the counties in the State on the basis of the base acreage of

1 feed grains for each county. The county base acreage of
2 feed grains shall be the average acreage of feed grains in the
3 county during the base period, adjusted pursuant to subsec-
4 tion (d) of this section.

5 “(2) The reserve acreage established pursuant to sub-
6 section (a) of this section shall be used by the Secretary to
7 make increases in county acreage allotments on the basis of
8 the relative needs of counties for an additional share of the
9 national acreage allotment because of new areas coming
10 into the production of feed grains.

11 “(c) (1) The county acreage allotment for any crop
12 of feed grains shall be apportioned by the Secretary, through
13 the county committee, among the farms in the county on
14 the basis of the base acreage of feed grains for each farm.
15 The farm base acreage of feed grains shall be the average
16 acreage of feed grains on the farm during the base period,
17 adjusted pursuant to subsection (d) of this section.

18 “(2) The reserve acreage established pursuant to sub-
19 section (b) (1) of this section shall be available:

20 “(A) For apportionment to farms which were eli-
21 gible to receive farm acreage allotments under this part,
22 but which through error did not receive such allotments;

23 “(B) For making increases in farm acreage allot-
24 ments on the basis of any one or more of the following
25 factors: tillable acres, type of soil, topography, estab-

lished crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

“(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farm during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

“(d) In determining the State, county, and farm base acreages—

“(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base

1 period shall be the two most recent calendar years
2 during which a marketing quota program was in effect
3 for which statistics of the Federal Government are
4 available;

5 “(2) the Secretary shall make such upward adjust-
6 ments as he determines are necessary for abnormal
7 conditions affecting the acreage of feed grains planted for
8 harvest, land which is regarded as devoted to the produc-
9 tion of feed grains under the conservation reserve and
10 other Federal farm programs, established crop-rotation
11 practices on the farm, hardships, and such other
12 factors as the Secretary determines should be considered
13 for the purpose of establishing fair and equitable base
14 acreages;

15 “(3) the acreage of feed grains on the farm in
16 excess of the farm acreage allotment shall be excluded
17 in determining the average acreage of feed grains for
18 the State, county, or farm.

19 “(4) the acreage of wheat produced on the farm
20 pursuant to the exemption provided in section 335 (f),
21 in effect prior to the enactment of this part VII, shall
22 be considered as an acreage of feed grains in determining
23 the average acreage of feed grains for the State, county,
24 or farm.”

GEOGRAPHICAL APPLICABILITY

This part VII shall be applicable to the continental United States excluding Alaska.

“SMALL FARM EXEMPTION

“SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of twenty-five acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. If the owner or operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage if the acreage of such crop of feed grains exceeded the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

“REFERENDUM

“SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the

1 Secretary shall, not later than sixty days after such proclama-
2 tion is published in the Federal Register, conduct a referen-
3 dum, by secret ballot, of farmers to determine whether they
4 favor or oppose marketing quotas for the marketing year or
5 years for which proclaimed. Any producer who has a feed
6 grain base shall be eligible to vote in any referendum held
7 pursuant to this section, except a producer who has a farm
8 feed grain base of twenty-five acres or less and who does not
9 elect, pursuant to section 360f, to be subject to the farm acre-
10 age allotment. The Secretary shall proclaim the results of
11 any referendum held hereunder within thirty days after the
12 date of such referendum, and if the Secretary determines that
13 more than one-third of the farmers voting in the referendum
14 voted against marketing quotas, the Secretary shall pro-
15 claim that marketing quotas will not be in effect with respect
16 to the crop of feed grains produced for harvest in the calendar
17 year following the calendar year in which the referendum is
18 held. If the Secretary determines that two-thirds or more
19 of the farmers voting in a referendum approve marketing
20 quotas for a period of two or three marketing years, no refer-
21 endum shall be held for the subsequent year or years of such
22 period.

23 "COMPLIANCE

24 "SEC. 360h. (a) (1) The farm marketing quota for any
25 crop of feed grains shall be the actual production of the

1 acreage of feed grains on the farm less the farm marketing
2 excess. The farm marketing excess shall be an amount equal
3 to twice the normal production of the acreage of feed grains
4 on the farm in excess of the farm acreage allotment for such
5 crop: *Provided*, That the farm marketing excess shall be an
6 amount equal to the actual production of the number of acres
7 of feed grains on the farm in excess of the farm acreage allot-
8 ment for such crop, if the producer, in accordance with
9 regulations issued by the Secretary and within the time
10 prescribed therein, establishes to the satisfaction of the
11 Secretary the actual production of such crop of feed grains on
12 the farm: *Provided further*, That if there is an acreage of
13 more than one feed grain on the farm, in determining which
14 acreage is in excess of the farm acreage allotment, the acre-
15 age of the feed grain or grains which has the highest value,
16 based on the normal yield of the feed grain on the farm
17 multiplied by the basic county support rate for the feed
18 grain, shall be considered as the acreage in excess of the
19 farm acreage allotment.

20 “(2) For the purposes of this section, (i) ‘actual pro-
21 duction’ of any number of acres of a feed grain on a farm
22 means the actual average yield of such feed grain on the farm
23 multiplied by the number of acres of such feed grain, and
24 (ii) ‘normal production’ of any number of acres of a feed
25 grain on a farm means the normal yield of such feed grain

1 on the farm multiplied by the number of acres of such feed
2 grain. The normal yield of any feed grain for a farm shall
3 be the average yield of such feed grain determined by the
4 Secretary for the farm during the base period (as defined in
5 subsection (d) (1) of section 360d) adjusted to the extent
6 the Secretary determines necessary for abnormal factors af-
7 fecting production.

8 “(3) In determining the farm marketing quota and
9 farm marketing excess, (i) any acreage of a feed grain
10 remaining after the date prescribed by the Secretary for the
11 disposal of excess acres of such feed grain shall be included
12 as an acreage of feed grains on the farm, and the production
13 thereof shall be appraised in such manner as the Secretary
14 determines will provide a reasonably accurate estimate of
15 such production, (ii) any acreage of any feed grain classified
16 as wheat acreage pursuant to section 337 shall not be con-
17 sidered feed grain acreage, and (iii) any acreage of feed
18 grains disposed of in accordance with regulations issued by
19 the Secretary prior to such date as may be prescribed by the
20 Secretary shall be excluded in determining the farm market-
21 ing quota and farm marketing excess. Marketing quotas for
22 any marketing year shall be in effect with respect to feed
23 grains harvested in the calendar year in which such market-
24 ing year begins notwithstanding that the feed grains are
25 marketed prior to the beginning of such marketing year.

1 “(b) Whenever farm marketing quotas are in effect
2 with respect to any crop of feed grains, the farm marketing
3 excess of any feed grain shall be regarded as available for
4 marketing, and the producers on a farm shall be subject to
5 a penalty on the farm marketing excess of feed grains at a
6 rate per bushel on the amount of feed grains in the farm mar-
7 keting excess equal to 65 per centum of the parity price of
8 the particular feed grain involved as of May 1 of the calen-
9 dar year in which the crop is harvested. Each producer hav-
10 ing an interest in the crop of feed grains on any farm for
11 which a farm marketing excess of feed grains is determined
12 shall be jointly and severally liable for the entire amount of
13 the penalty on the farm marketing excess.

14 “(c) If the farm marketing excess is adjusted down-
15 ward on the basis of actual production as heretofore provided,
16 the difference between the amount of the penalty computed
17 upon the basis of twice the normal production and as com-
18 puted upon the basis of actual production shall be returned
19 to or allowed the producer.

20 “(d) Until the producers on any farm pay the penalty
21 on, the farm marketing excess of any crop of feed grains,
22 the entire crop of feed grains produced on the farm and any
23 subsequent crop of feed grains subject to marketing quotas in
24 which the producer has an interest shall be subject to a lien
25 in favor of the United States for the amount of the penalty.

1 “(e) Until the penalty on the farm marketing excess of
2 feed grains is paid, each bushel of feed grains produced on the
3 farm shall be subject to the penalty specified in subsection
4 (b) of this section, and such penalty on each bushel of feed
5 grains which is sold by the producer to any person within the
6 United States shall be paid by the buyer, who may deduct
7 an amount equivalent to the penalty from the price paid to
8 the producer. If the buyer fails to collect such penalty, such
9 buyer and all persons entitled to share in the feed grains
10 marketed from the farm or the proceeds thereof shall be
11 jointly and severally liable for such penalty.

12 “(f) The persons liable for the payment or collection
13 of the penalty on any amount of feed grains shall be liable
14 also for interest thereon at the rate of 6 per centum per an-
15 num from the date the penalty becomes due until the date
16 of payment of such penalty.

17 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

18 “SEC. 360i. Notwithstanding any other provision of law,
19 the Secretary shall permit producers of wheat to have
20 acreage devoted to the production of wheat considered as de-
21 voted to the production of feed grains to such extent and
22 subject to such terms and conditions as the Secretary de-
23 termines will not impair the effective operation of this sub-
24 title B.

"LAND USE

1 "SEC. 360j. (a) (1) During any year in which mar-
2 keting quotas for feed grains are in effect, the producers on
3 any farm (except a farm for which a farm acreage allot-
4 ment is established pursuant to section 360d (c) (2) (C)) on
5 which any crop is produced on acreage required to be di-
6 verted from the production of feed grains shall be subject
7 to a penalty on such crop, in addition to any marketing quota
8 penalty applicable to such crop, as provided in this subsec-
9 tion, unless (i) the crop is designated by the Secretary
10 pursuant to subsection (e) hereof or (ii) no feed grains are
11 produced on the farm, and the producers have not filed an
12 agreement or a statement of intention to participate in the
13 payment program formulated pursuant to subsection (b)
14 of this section. The acreage required to be diverted from
15 the production of feed grains on the farm shall be an acreage
16 of cropland equal to the amount by which the base acreage
17 of feed grains for the farm exceeds the farm acreage allot-
18 ment for feed grains. The actual production of any crop
19 subject to penalty under this subsection shall be regarded
20 as available for marketing and the penalty on such crop
21 shall be computed on the actual acreage of such crop at
22 the rate of 65 per centum of the parity price per bushel,
23 as of May 1, of the calendar year in which the crop is har-

1 vested, of the feed grain determined by the Secretary to be
2 the principal feed grain produced in the county, multiplied
3 by the normal yield for such feed grain as defined in section
4 360h (a). Until the producers on any farm pay the penalty
5 on such crop, the entire crop of feed grains produced on the
6 farm and any subsequent crop of feed grains subject to mar-
7 keting quotas in which the producer has an interest shall be
8 subject to a lien in favor of the United States for the amount
9 of the penalty. Each producer having an interest in the
10 crop or crops on acreage diverted or required to be diverted
11 from the production of feed grains shall be jointly and sever-
12 ally liable for the entire amount of the penalty. The Sec-
13 retary may require the penalty on the production of crops on
14 the diverted acreage to be collected by the purchaser of feed
15 grains produced on the farm. The persons liable for the pay-
16 ment or collection of the penalty under this section shall be
17 liable also for interest thereon at the rate of 6 per centum
18 per annum from the date the penalty becomes due until
19 the date of payment of such penalty.

20 “(2) The Secretary may require that the acreage on
21 any farm diverted from the production of feed grains be land
22 which was diverted from the production of feed grains in the
23 previous year, to the extent he determines that such require-
24 ment is necessary to effectuate the purposes of this subtitle.

25 “(3) The Secretary may permit the diverted acreage to

1 be grazed in accordance with regulations prescribed by the
2 Secretary.

3 “(b) The Secretary is authorized to formulate and carry
4 out a program with respect to the 1963, 1964, and 1965
5 crops of feed grains under which, subject to such terms and
6 conditions as he determines are desirable to effectuate the
7 purposes of this section. Payments shall be in an amount
8 not to exceed the estimated normal production of feed grains
9 for the acreage diverted, multiplied by 50 per centum of the
10 estimated basic county support rates for feed grains in the
11 case of the 1963 crop, 40 per centum of the estimated basic
12 county support rate for feed grains in the case of the 1964
13 crop, and 30 per centum of the estimated basic county sup-
14 port rate for feed grains in the case of the 1965 crop.
15 The Secretary may permit the producers on the farm
16 to divert from the production of feed grains an acre-
17 age, in addition to the acreage diverted pursuant to sub-
18 section (a), equal to 20 per centum of the farm
19 acreage allotment for feed grains: *Provided*, That the
20 producers on any farm may, at their election, divert such
21 acreage, in addition to the acreage diverted pursuant to sub-
22 section (a), as will bring the total acreage diverted on the
23 farm to twenty-five acres. Such program shall require
24 (1) that the diverted acreage shall be devoted to con-

1 servation uses approved by the Secretary; (2) that the
2 total acreage of cropland on the farm devoted to soil-conserv-
3 ing uses, including summer fallow and idle land but exclud-
4 ing the acreage diverted as provided above and acreage di-
5 verted under the land-use provisions for wheat pursuant to
6 section 339, shall not be less than the total average acreage
7 of cropland devoted to soil-conserving uses including sum-
8 mer fallow and idle land on the farm during the base period
9 used in determining the farm acreage allotment adjusted to
10 the extent the Secretary determines appropriate for (i)
11 abnormal weather conditions or other factors affecting pro-
12 duction, (ii) established crop-rotation practices on the farm,
13 (iii) participation in the Conservation Reserve and other
14 Federal farm programs, (iv) unusually high percentage of
15 land on the farm devoted to conserving uses, and (v) other
16 factors which the Secretary determines should be considered
17 for the purpose of establishing a fair and equitable soil-con-
18 serving acreage for the farm; and (3) that the producers
19 shall not knowingly exceed (i) any farm acreage allotment
20 in effect for any commodity produced on the farm, and (ii)
21 except as the Secretary may by regulation prescribe, the
22 farm acreage allotments on any other farm for any crop in
23 which the producer has a share. The producer on any farm
24 for which a farm acreage allotment is established pursuant

1 to section 360d (c) (2) (C) shall not be eligible for pay-
2 ments hereunder. Payments may be made in cash or in
3 feed grains. The Secretary shall provide for the sharing
4 of payment among producers on the farm on a fair and equi-
5 table basis. The following factors shall be given considera-
6 tion in arriving at the division of payment:

7 “(1) The basis on which producers would have
8 shared in the production of feed grains had feed grains
9 been produced on the diverted acreage;

10 “(2) The savings or benefits accruing to each pro-
11 ducer on the diverted acreage;

12 “(3) The respective contribution of each producer
13 to the establishment and maintenance of the conserva-
14 tion use on the acreage designated as diverted from pro-
15 duction; and

16 “(4) The respective relationship of the diverted
17 acreage and increased conservation acreage to the various
18 ownership tracts comprising a farm.

19 “(c) Where a producer is not entitled to receive full
20 payment under the program formulated under subsection
21 (b) of this section because of failure to comply with the
22 terms and conditions of the program, the Secretary is au-
23 thorized to make partial payment to the producer proportion-
24 ate to the performance rendered.

1 “(d) Not to exceed 50 per centum of any payment to
2 producers under subsection (b) of this section may be
3 made in advance of determination of performance.

4 “(e) The Secretary may permit the diverted acreage
5 to be devoted to the production of guar, sesame, safflower,
6 sunflower, castor beans, malting barley, and flax, when such
7 crops are not in surplus supply and will not be in surplus
8 supply if permitted to be grown on the diverted acreage,
9 subject to the condition that payment with respect to di-
10 verted acreage devoted to any such crop shall be at a rate
11 determined by the Secretary to be fair and reasonable taking
12 into consideration the use of such acreage for the produc-
13 tion of such crops: *Provided*, That in no event shall the
14 payment exceed one-half the rate which would otherwise be
15 applicable if such acreage were devoted to conservation
16 uses.

17 “(f) If the Secretary permits the diverted acreage to be
18 grazed before October 1 or after April 1, no payment shall
19 be made for the acreage which is grazed.

20 “(g) The program formulated pursuant to subsection
21 (b) of this section may include such terms and conditions,
22 in addition to those specifically provided for herein, as the
23 Secretary determines are desirable to effectuate the purposes
24 of this section.

25 “(h) The Secretary is authorized to promulgate such

1 regulations as may be desirable to carry out the provisions
2 of this section.

3 “(i) The Commodity Credit Corporation is authorized
4 to utilize its capital funds and other assets for the purpose
5 of making the payments authorized in this section and to
6 pay administrative expenses necessary in carrying out this
7 section during the period ending June 30, 1963. There is
8 authorized to be appropriated such amounts as may be
9 necessary thereafter to pay such administrative expenses.

10 “(j) Notwithstanding any other provision of law, per-
11 formance rendered in good faith in reliance upon action or
12 advice of an authorized representative of the Secretary may
13 be accepted as meeting the requirements of this section, or
14 of subsections (c) and (d) of section 16 of the Soil Conser-
15 vation and Domestic Allotment Act, as amended, any pay-
16 ment may be made therefor in accordance with such action
17 or advice to the extent the Secretary deems it desirable in
18 order to provide fair and equitable treatment.”

19 SEC. 402. Section 2 of the Agricultural Adjustment Act
20 of 1938, as amended, is hereby amended by striking out
21 “and” immediately following the last semicolon, by changing
22 the period at the end thereof to a semicolon, and by adding
23 immediately following such new semicolon the following:
24 “and to reduce the annual carryover of feed grains, to stabi-
25 lize the supply of feed grains, and to provide for an adequate

1 and balanced flow of feed grains so that the prices of feed
2 grains are fair to producers and consumers and the total
3 supply of feed grains available for utilization for livestock
4 feed is maintained at a level which is consistent with the
5 production of the quantities of livestock and the products
6 thereof that will be consumed and exported at prices which
7 are fair to producers and consumers.”

8 SEC. 403. Section 301 of the Agricultural Adjustment
9 Act of 1938, as amended, is hereby amended as follows:

10 (1) Subsection (a) is amended by adding at the
11 end thereof the following new items:

12 “(10) The term ‘feed grains’ means corn, oats,
13 grain sorghums, and barley. The term ‘feed grains’
14 shall also include rye if the Secretary designates such
15 commodity.

16 “(11) The term ‘acreage of feed grains’ means
17 acreage of feed grains planted for harvest (including
18 self-seeded feed grains).

19 “(12) The term ‘crop’ as applied to ‘feed grains’
20 means all of the crops of the agricultural commodities
21 which comprise feed grains and which are produced for
22 harvest in the same calendar year.”

23 (2) Subsection (b) (6) (A) is amended to read
24 as follows:

25 “(6) (A) ‘Market’, in the case of cotton, rice, to-

1 bacco, wheat, and feed grains, means to dispose of, in
 2 raw or processed form, by voluntary or involuntary sale,
 3 barter, or exchange, or by gift inter vivos, and, in the
 4 case of wheat and feed grains, by feeding (in any form)
 5 to poultry or livestock which, or the products of which,
 6 are sold, bartered, or exchanged, or to be so disposed of.”

7 (3) Subsection (b) (7) is amended to read as
 8 follows:

9 “(7) ‘Marketing year’ means, in the case of the
 10 following commodities, the period beginning on the first
 11 and ending with the second date specified below:

12 “Barley, July 1–June 30;

13 “Corn, October 1–September 30;

14 “Cotton, August 1–July 31;

15 “Oats, July 1–June 30;

16 “Grain sorghums, July 1–June 30;

17 “Peanuts, August 1–July 31;

18 “Rice, August 1–July 31;

19 “Rye, July 1–June 30;

20 “Tobacco (flue-cured), July 1–June 30;

21 “Tobacco (other than flue-cured), October 1–
 22 September 30;

23 “Wheat, July 1–June 30;

24 “ ‘Marketing year’ means, in the case of ‘feed grains’,

1 the marketing years for the agricultural commodities
2 comprising the feed grains.”

3 SEC. 404. Sections 361, 362, and 363 of the Agricul-
4 tural Adjustment Act of 1938, as amended, are hereby
5 amended as follows:

6 (1) Section 361 is amended by adding “feed
7 grains,” after “wheat,” and by changing the period at
8 the end of the section to a comma and adding the follow-
9 ing: “and to the review of land-use penalties assessed
10 pursuant to sections 339 and 360j.”

11 (2) Section 362 is amended by adding at the end
12 thereof the following: “Notice of the land-use penalty
13 assessed pursuant to section 339 or 360j shall be mailed
14 to the farmer.”

15 (3) Section 363 is amended by adding “or land-
16 use penalty” after the word “quota” wherever it appears
17 in such section.

18 SEC. 405. Section 372 of the Agricultural Adjustment
19 Act of 1938, as amended, is hereby amended by adding
20 “feed grains,” after “wheat,” in subsection (a) thereof.

21 SEC. 406. Sections 373, 374, and 375 of the Agricul-
22 tural Adjustment Act of 1938, as amended, are hereby
23 amended by deleting “corn” wherever it appears and by
24 substituting in lieu thereof “feed grains”; and subsection (b)
25 of section 375 of the Agricultural Adjustment Act of 1938,

1 as amended, is further amended by striking out the period at
2 the end of the sentence and inserting at the end thereof the
3 following: "or to effectuate the provisions thereof."

4 SEC. 407. Section 385 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by inserting
6 in the first sentence after "Soil Conservation Act payment,"
7 the following: "payment under section 360j,".

8 SEC. 408. The amendments to the Agricultural Adjust-
9 ment Act of 1938, as amended, made by sections 401 through
10 407 of this Act shall be in effect only with respect to pro-
11 grams applicable to crops planted for harvest in the cal-
12 endar year 1963 or any subsequent year and to the mar-
13 keting years beginning in the calendar year 1963 or any sub-
14 sequent year.

15 SEC. 409. The Agricultural Act of 1949, as amended,
16 is amended as follows:

17 (1) By amending section 105 by deleting subsec-
18 tions (a) and (b) and substituting the following:

19 "(a) Notwithstanding the provisions of section 101 of
20 this Act, beginning with the 1963 crop—

21 "(1) price support for each crop of corn shall be
22 made available at such level not less than 65 per
23 centum or more than 90 per centum of the parity
24 price therefor as the Secretary determines appropriate

1 after consideration of (i) the factors specified in
2 section 401 (b) of this Act, (ii) the supplies of feed
3 grains that would be available during the marketing
4 year at prices approximating the support prices of feed
5 grains, and (iii) consumption goals during the market-
6 ing year for livestock and livestock products, taking into
7 consideration consumption under special governmental
8 programs, and imports and exports of livestock and live-
9 stock products;

10 “(2) price support for each crop of barley, grain
11 sorghums, oats, and rye, respectively, shall be at such
12 level as the Secretary determines is fair and reasonable
13 in relation to the level at which price support is made
14 available for corn, taking into consideration the feeding
15 value of such feed grain in relation to corn, location,
16 and buyer preference;

17 “(3) if marketing quotas are in effect for the crop
18 of any feed grain, price support for such crop shall be
19 made available only to cooperators;

20 “(4) no price support shall be made available for
21 any crop of a feed grain for which a marketing quota
22 is not in effect because of disapproval by producers; and

23 “(5) a ‘cooperator’ with respect to any crop of feed
24 grains produced on a farm shall be a producer who (i)

1 does not knowingly exceed (A) the farm acreage allot-
2 ment for feed grains or any other commodity on the farm
3 or (B) except as the Secretary may by regulation pre-
4 scribe, the farm acreage allotment on any other farm for
5 any commodity in which he has an interest as a producer,
6 and (ii) complies with the land-use requirements of
7 section 360j of the Agricultural Adjustment Act of 1938,
8 as amended, to the extent prescribed by the Secretary."

9 (2) By amending section 105 by redesignating
10 subsection (c) thereof as subsection (b).

11 (3) By amending section 401 (b) by inserting after
12 the comma before "(2)" the following: "(2) the in-
13 come needed to provide a farm operator and his family
14 with a return for his labor and investment equal to the
15 return earned by comparable resources in other occupa-
16 tions", and by renumbering (2), (3), (4), (5), (6),
17 (7), and (8) as (3), (4), (5), (6), (7), (8),
18 and (9), respectively.

19 (4) By adding at the end of section 407 the
20 following: "Notwithstanding any other provision here-
21 of, if a marketing quota for feed grains for any mar-
22 keting year is disapproved by producers, the Commodity
23 Credit Corporation may sell for unrestricted use from

1 its stocks at market prices during such marketing year
2 not to exceed ten million tons, or the equivalent in
3 bushels, of feed grains.

4 SUBTITLE B—WHEAT

5 SEC. 410. Section 331 of the Agricultural Adjustment
6 Act of 1938, as amended, is hereby amended by striking out
7 the last paragraph thereof and inserting in lieu thereof the
8 following paragraphs:

9 “Wheat which is planted and not disposed of prior to the
10 date prescribed by the Secretary for the disposal of excess
11 acres of wheat is an addition to the total supply of wheat
12 and has a direct effect on the price of wheat in interstate and
13 foreign commerce and may also affect the supply and price
14 of livestock and livestock products. In the circumstances,
15 wheat not disposed of prior to such date must be considered
16 in the same manner as mechanically harvested wheat in order
17 to achieve the policy of the Act.

18 “The diversion of substantial acreages from wheat to
19 the production of commodities which are in surplus supply or
20 which will be in surplus supply if they are permitted to be
21 grown on the diverted acreage would burden, obstruct, and
22 adversely affect interstate and foreign commerce in such
23 commodities, and would adversely affect the prices of such
24 commodities in interstate and foreign commerce. Small

1 changes in the supply of a commodity could create a sufficient
2 surplus to affect seriously the price of such commodity in
3 interstate and foreign commerce. Large changes in the sup-
4 ply of such commodity could have a more acute effect on the
5 price of the commodity in interstate and foreign commerce
6 and, also, could overtax the handling, processing, and trans-
7 portation facilities through which the flow of interstate and
8 foreign commerce in such commodity is directed. Such ad-
9 verse effects caused by overproduction in one year could
10 further result in a deficient supply of the commodity in the
11 succeeding year, causing excessive increases in the price of
12 the commodity in interstate and foreign commerce in such
13 year. It is, therefore, necessary to prevent acreage diverted
14 from the production of wheat to be used to produce commodi-
15 ties which are in surplus supply or which will be in surplus
16 supply if they are permitted to be grown on the diverted
17 acreage.

18 "The provisions of this part affording a cooperative
19 plan to wheat producers are necessary in order to mini-
20 mize recurring surpluses and shortages of wheat in inter-
21 state and foreign commerce, to provide for the maintenance of
22 adequate reserve supplies thereof, to provide for an adequate
23 and orderly flow of wheat and its products in interstate and
24 foreign commerce at prices which are fair and reasonable

1 quota for wheat for any marketing year, the Secretary has
2 reason to believe that, because of a national emergency or
3 because of a material increase in the demand for wheat, the
4 national marketing quota should be terminated or the amount
5 thereof increased, he shall cause an immediate investigation
6 to be made to determine whether such action is necessary
7 in order to meet such emergency or increase in the demand
8 for wheat. If, on the basis of such investigation, the Secre-
9 tary finds that such action is necessary, he shall immediately
10 proclaim such finding and the amount of any such increase
11 found by him to be necessary and thereupon such national
12 marketing quota shall be so increased or terminated. In case
13 any national marketing quota is increased under this sub-
14 section, the Secretary shall provide for such increase by
15 increasing acreage allotments established under this part by a
16 uniform percentage."

17 SEC. 412. Section 333 of the Agricultural Adjustment
18 Act of 1938, as amended, is hereby amended to read as fol-
19 lows:

20 "NATIONAL ACREAGE ALLOTMENT

21 "SEC. 333. Whenever the amount of the national
22 marketing quota for wheat is proclaimed for any marketing
23 year, the Secretary at the same time shall proclaim a na-
24 tional acreage allotment for the crop of wheat planted for
25 harvest in the calendar year in which such marketing year

1 begins. The amount of the national acreage allotment for
2 any crop of wheat shall be the number of acres which the
3 Secretary determines on the basis of expected yields and
4 expected underplantings of farm acreage allotments will,
5 together with (1) the expected production of wheat
6 on the increases in acreage allotments for farms based upon
7 small-farm base acreages pursuant to section 335, and (2)
8 the expected production on increased acreages resulting from
9 the small-farm exemption pursuant to section 335, make
10 available a supply of wheat equal to the national marketing
11 quota for wheat for such marketing year.”

12 SEC. 413. Section 334 of the Agricultural Adjustment
13 Act of 1938, as amended, is further amended as follows:

14 (1) By striking out “ten” wherever it appears in
15 subsections (a) and (b) thereof and by inserting in
16 lieu thereof “five”.

17 (2) By amending subsection (e) thereof by in-
18 serting the following sentence immediately following
19 the eighth sentence thereof: “The land-use provisions
20 of section 339 shall not be applicable to any farm re-
21 ceiving an increased allotment under this subsection, and
22 the producers on such farm shall not be required to
23 comply with such provisions as a condition of eligibility
24 for price support.”

1 (3) By repealing subsection (g) thereof and by
2 redesignating subsections (h) and (i) thereof as (g)
3 and (h) respectively.

4 (4) By amending subsection (i) thereof, redesign-
5 nated by this section as subsection (h), by inserting the
6 following sentence immediately following the seventh
7 sentence thereof: "The land-use provisions of section 339
8 shall not be applicable to any farm receiving an addi-
9 tional allotment under this subsection."

10 (5) By striking out of the last sentence of sub-
11 section (i) thereof (added by Public Law 87-357, 87th
12 Congress, 1st session), redesignated by this section as
13 subsection (h), "or 1963".

14 GEOGRAPHICAL APPLICABILITY

15 SEC. 414. Part III of subtitle B of title III of the Agri-
16 cultural Adjustment Act of 1938, as amended, is hereby
17 amended by adding at the end of section 334 thereof the
18 following new subsection: "(i) This part III shall be appli-
19 cable to the continental United States excluding Alaska."

20 SEC. 415. Section 335 of the Agricultural Adjustment
21 Act of 1938, as amended, is hereby amended to read as
22 follows:

23 "SMALL FARM EXEMPTION

24 "SEC. 335. Notwithstanding any other provision of this
25 part, no farm marketing quota for any crop of wheat shall

1 be applicable to any farm with a base of fifteen acres or less
2 (hereinafter called 'small-farm base acreage') if the acreage
3 of such crop of wheat on the farm does not exceed the small-
4 farm base acreage determined for the farm, unless the owner
5 or operator of the farm elects in writing on a form and within
6 the time prescribed by the Secretary to be subject to the
7 farm acreage allotment and marketing quota. For the pur-
8 poses of this section, the small-farm base acreage for a farm
9 shall be the average acreage of the crops of wheat planted
10 for harvest in the calendar years 1957, 1958, 1959, 1960,
11 and 1961, with adjustments for abnormal weather conditions,
12 established crop-rotation practices on the farm, and such
13 other factors as the Secretary determines should be con-
14 sidered for the purpose of establishing a fair and equitable
15 small-farm base acreage. If the owner or operator elects
16 to be subject to the farm acreage allotment and
17 marketing quota the acreage allotment for the farm shall
18 be the larger of (i) the allotment otherwise deter-
19 mined for the farm, or (ii) the small-farm base acreage for
20 the farm established on the basis of the crops for the calendar
21 years 1957, 1958, 1959, 1960, and 1961, reduced by
22 the same percentage by which the national acreage allotment
23 for the crop is reduced below fifty-five million acres. If
24 the owner or operator of any such farm fails to make such
25 election with respect to any crop of wheat, (i) for the pur-

1 poses of Public Law 74, Seventy-seventh Congress (7 U.S.C.
 2 1340), as amended, the farm acreage allotment for such
 3 crop of wheat shall be deemed to be the larger of the acreage
 4 allotment or the small-farm base acreage determined for the
 5 farm, (ii) the land-use provisions of section 339 shall be in-
 6 applicable to the farm, (iii) such crop of wheat shall not be
 7 eligible for price support, and (iv) wheat marketing certif-
 8 icates applicable to such crop shall not be issued with respect
 9 to the farm. The additional acreage required to provide
 10 acreage allotments for farms based upon small-farm base
 11 acreages under this section shall be in addition to National,
 12 State, and county acreage allotments.”

13 SEC. 416. Section 336 of the Agricultural Adjustment
 14 Act of 1938, as amended, is hereby amended to read as
 15 follows:

16 “REFERENDUM

17 “SEC. 336. If a national marketing quota for wheat for
 18 one, two, or three marketing years is proclaimed, the Secre-
 19 tary shall, not later than sixty days after such proclamation
 20 is published in the Federal Register, conduct a referendum,
 21 by secret ballot, of farmers to determine whether they favor
 22 or oppose marketing quotas for the marketing year or years
 23 for which proclaimed. Any producer who has a farm acre-
 24 age allotment shall be eligible to vote in any referendum
 25 held pursuant to this section, except a producer who has a

1 small-farm base acreage for such crop of wheat and who
2 does not elect, pursuant to section 335, to be subject to the
3 farm marketing quota. The Secretary shall proclaim the re-
4 sults of any referendum held hereunder within thirty days
5 after the date of such referendum, and if the Secretary de-
6 termines that more than one-third of the farmers voting in
7 the referendum voted against marketing quotas, the Secre-
8 tary shall proclaim that marketing quotas will not be in effect
9 with respect to the crop of wheat produced for harvest in
10 the calendar year following the calendar year in which the
11 referendum is held. If the Secretary determines that two-
12 thirds or more of the farmers voting in a referendum approve
13 marketing quotas for a period of two or three marketing
14 years, no referendum shall be held for the subsequent year or
15 years of such period."

16 SEC. 417. Section 337 of the Agricultural Adjustment
17 Act of 1938, as amended, is hereby amended by deleting
18 the provisions thereof and substituting the following:

19 "SUBSTITUTION OF FEED GRAINS FOR WHEAT

20 "SEC. 337. Notwithstanding any other provision of law,
21 the Secretary shall permit producers of feed grains to
22 have acreage devoted to the production of feed grains consid-
23 ered as devoted to the production of wheat and the Secre-
24 tary shall permit producers of wheat to have acreage de-
25 voted to the production of wheat considered as devoted to

1 the production of feed grains, as the Secretary determines
2 will not adversely affect the operation of this program.”

3 SEC. 418. The Agricultural Adjustment Act of 1938,
4 as amended, is hereby amended by adding after section 338 a
5 new section as follows:

6 “LAND USE

7 “SEC. 339. (a) (1) During any year in which market-
8 ing quotas for wheat are in effect, the producers on any farm
9 (except a new farm receiving an allotment from the reserve
10 for new farms) on which any crop is produced on acreage
11 required to be diverted from the production of wheat shall
12 be subject to a penalty on such crop, in addition to any
13 marketing quota penalty applicable to such crops, as pro-
14 vided in this subsection unless (i) the crop is designated by
15 the Secretary under the provisions of subsection (f) of this
16 section, or (ii) no wheat is produced on the farm, and the
17 producers have not filed an agreement or a statement of
18 intention to participate in the payment program formulated
19 pursuant to subsection (b) of this section. The acreage
20 required to be diverted from the production of wheat on the
21 farm shall be an acreage of cropland equal to the number
22 of acres determined by multiplying the farm acreage allot-
23 ment by the diversion factor determined by dividing the
24 number of acres by which the national acreage allotment is
25 reduced below fifty-five million acres by the number of acres

1 in the national acreage allotment. The actual production of
2 any crop subject to penalty under this subsection shall be
3 regarded as available for marketing and the penalty on such
4 crop shall be computed on the actual acreage of such crop
5 at the rate of 65 per centum of the parity price per bushel
6 of wheat as of May 1 of the calendar year in which such
7 crop is harvested, multiplied by the normal yield of wheat
8 per acre established for the farm. Until the producers on
9 any farm pay the penalty on such crop, the entire crop of
10 wheat produced on the farm and any subsequent crop of
11 wheat subject to marketing quotas in which the producer
12 has an interest shall be subject to a lien in favor of the United
13 States for the amount of the penalty. Each producer having
14 an interest in the crop or crops on acreage diverted or
15 required to be diverted from the production of wheat shall
16 be jointly and severally liable for the entire amount of the
17 penalty. The persons liable for the payment or collection of
18 the penalty under this section shall be liable also for interest
19 thereon at the rate of 6 per centum per annum from the date
20 the penalty becomes due until the date of payment of such
21 penalty.

22 “(2) The Secretary may require that the acreage on
23 any farm diverted from the production of wheat be land
24 which was diverted from the production of wheat in the
25 previous year, to the extent he determines that such require-

1 ment is necessary to effectuate the purposes of this subtitle.

2 “(3) The Secretary may permit the diverted acreage
3 to be grazed in accordance with regulations prescribed by
4 the Secretary.

5 “(b) The Secretary is authorized to formulate and carry
6 out a program with respect to the 1963, 1964, and 1965
7 crops of wheat under which, subject to such terms and con-
8 ditions as he determines are desirable to effectuate the pur-
9 poses of this section, payments shall be made in amounts
10 determined by the Secretary to be fair and reasonable with
11 respect to acreage diverted pursuant to subsection (a) of this
12 section. Payments shall be in an amount not to exceed the
13 estimated normal production of wheat for the acreage di-
14 verted, multiplied by 50 per centum of the estimated basic
15 county support rates for wheat in the case of the 1963 crop,
16 40 per centum of the estimated basic county support rate for
17 wheat in the case of the 1964 crop, and 30 per centum of
18 the estimated basic county support rate for wheat in the case
19 of the 1965 crop. The Secretary may permit producers on
20 any farm to divert from the production of wheat an acreage, in
21 addition to the acreage diverted pursuant to subsection (a),
22 equal to 20 per centum of the farm acreage allotment for
23 wheat: *Provided*, That the producers on any farm may, at
24 their election, divert such acreage in addition to the acreage
25 diverted pursuant to subsection (a), as will bring the total

1 acreage diverted on the farm to fifteen acres. Such program
2 shall require (1) that the diverted acreage shall be devoted to
3 conservation uses approved by the Secretary; (2) that the
4 total acreage of cropland on the farm devoted to soil-
5 conserving uses, including summer fallow and idle land but
6 excluding the acreage diverted as provided above, and acre-
7 age diverted under the land-use provisions for feed grains
8 pursuant to section 360j, shall be not less than the total
9 average acreage of cropland devoted to soil-conserving uses
10 including summer fallow and idle land on the farm during
11 a representative period, as determined by the Secretary,
12 adjusted to the extent the Secretary determines appropriate
13 for (i) abnormal weather conditions or other factors adversely
14 affecting production, (ii) established crop-rotation practices
15 on the farm, (iii) participation in other Federal farm programs,
16 (iv) unusually high percentage of land on the farm devoted
17 to conserving uses, and (v) other factors which the Secre-
18 tary determines should be considered for the purpose of
19 establishing a fair and equitable soil-conserving acreage for
20 the farm; and (3) that the producer shall not knowingly
21 exceed (i) any farm acreage allotment in effect for any
22 commodity produced on the farm, and (ii) except as the
23 Secretary may by regulations prescribe, with the farm acre-
24 age allotments on any other farm for any crop in which the
25 producer has a share. The producers on a new farm shall

1 not be eligible for payments hereunder. Payments may be
2 made in cash or in wheat. The Secretary shall provide for
3 the sharing of payment among producers on the farm on
4 a fair and equitable basis. The following factors shall be
5 given consideration in arriving at the division of payment:

6 “(1) The basis on which producers would have
7 shared in the production of wheat had wheat been pro-
8 duced on the diverted acreage;

9 “(2) The savings or benefits accruing to each pro-
10 ducer on the diverted acreage;

11 “(3) The respective contribution of each producer
12 to the establishment and maintenance of the conservation
13 use on the acreage designated as diverted from produc-
14 tion; and

15 “(4) The respective relationship of the diverted
16 acreage and increased conservation acreage to the vari-
17 ous ownership tracts comprising a farm.

18 “(c) Where a producer is not entitled to receive full
19 payment under the program formulated under subsection
20 (b) of this section because of unintentional failure to comply
21 with the terms and conditions of the program, the Secretary
22 is authorized to make partial payment to the producer
23 proportionate to the performance rendered.

1 “(d) Not to exceed 50 per centum of any payment to
2 producers under subsection (b) of this section may be made
3 in advance of determination of performance.

4 “(e) If the Secretary permits the diverted acreage to be
5 grazed before October 1 or after April 1, no payment shall
6 be made for the acreage which is grazed.

7 “(f) The Secretary may permit the diverted acreage to
8 be devoted to the production of guar, sesame, safflower, sun-
9 flower, castor beans and flax when such crops are not in sur-
10 plus supply and will not be in surplus supply if permitted to
11 be grown on the diverted acreage, subject to the condition
12 that payment with respect to diverted acreage devoted to
13 any such crop shall be at a rate determined by the Secre-
14 tary to be fair and reasonable taking into consideration the
15 use of such acreage for the production of such crops: *Pro-*
16 *vided*, That in no event shall the payment exceed one-half
17 the rate which would otherwise be applicable if such acreage
18 were devoted to conservation uses.

19 “(g) The program formulated pursuant to subsection
20 (b) of this section may include such terms and conditions,
21 in addition to those specifically provided for herein, as the
22 Secretary determines are desirable to effectuate the purposes
23 of this section.

1 “(h) The Secretary is authorized to promulgate such
2 regulations as may be desirable to carry out the provisions of
3 this section.

4 “(i) The Commodity Credit Corporation is author-
5 ized to utilize its capital funds and other assets for the purpose
6 of making the payments authorized in this section and to pay
7 administrative expenses necessary in carrying out this sec-
8 tion during the period ending June 30, 1963. There is
9 authorized to be appropriated such amounts as may be
10 necessary thereafter to pay such administrative expenses.

11 “(j) Notwithstanding any other provision of law
12 performance rendered in good faith in reliance upon action or
13 advice of an authorized representative of the Secretary may
14 be accepted as meeting the requirements of this section, or of
15 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
16 298), and payment may be made therefor in accordance with
17 such action or advice to the extent the Secretary deems it
18 desirable in order to provide fair and equitable treatment.”

19 SEC. 419. Public Law 74, Seventy-seventh Congress (7
20 U.S.C. 1340), as amended, is hereby amended as follows:

21 (1) By amending paragraph (1) to read as fol-
22 lows:

23 “(1) The farm marketing quota for any crop of
24 wheat shall be the actual production of the acreage
25 planted to such crop of wheat on the farm less the farm

marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of the Agricultural Adjustment Act of 1938, as amended, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by

1 the Secretary prior to such date as may be prescribed
2 by the Secretary shall be excluded in determining the
3 farm marketing quota and farm marketing excess. Self-
4 seeded (volunteer) wheat shall be included in deter-
5 mining the acreage of wheat. Marketing quotas for
6 any marketing year shall be in effect with respect to
7 wheat harvested in the calendar year in which such mar-
8 keting year begins notwithstanding that the wheat is
9 marketed prior to the beginning of such marketing
10 year.”

11 (2) By amending paragraph (2) to read as fol-
12 lows:

13 “(2) Whenever farm marketing quotas are in effect
14 with respect to any crop of wheat, the producers on a
15 farm shall be subject to a penalty on the farm marketing
16 excess of wheat at a rate per bushel equal to 65
17 per centum of the parity price per bushel of wheat as of
18 May 1 of the calendar year in which the crop is har-
19 vested. Each producer having an interest in the crop
20 of wheat on any farm for which a farm marketing excess
21 of wheat is determined shall be jointly and severally
22 liable for the entire amount of the penalty on the farm
23 marketing excess.”

24 (3) By amending paragraph (3) to read as follows:

25 “(3) The farm marketing excess for wheat shall be

1 considered as available for marketing, and the penalty
2 shall be computed upon twice the normal production
3 of the excess acreage. Whereupon the application of
4 the producer for an adjustment of penalty, it is shown
5 to the satisfaction of the Secretary that the actual pro-
6 duction of the excess acreage is less than twice the
7 normal production thereof, the difference between the
8 amount of the penalty as computed upon the basis of
9 twice the normal production and as computed upon the
10 basis of actual production shall be returned to or allowed
11 the producer.”

12 (4) By amending paragraph (4) to read as
13 follows:

14 “(4) Until the producers on any farm pay the
15 penalty on, the farm marketing excess of any crop of
16 wheat, the entire crop of wheat produced on the farm
17 and any subsequent crop of wheat subject to marketing
18 quotas in which the producer has an interest shall be
19 subject to a lien in favor of the United States for the
20 amount of the penalty.”

21 (5) By striking out “corn or” from paragraph (5).

22 (6) By striking out “corn or” from paragraph (6).

23 (7) By repealing paragraph (7), and by renum-
24 bering paragraphs (8) through (11) as (7) through
25 (10), respectively.

1 (8) By amending the first sentence of paragraph
2 (8) redesignated by this section as paragraph (7)
3 to read as follows: "Until the penalty is paid on the
4 marketing excess of wheat each bushel of wheat pro-
5 duced on the farm which is sold by the producer to
6 any person within the United States shall be subject
7 to the penalty as specified in paragraph (2) of this
8 resolution."; and by adding at the end of such para-
9 graph the following sentence:

10 "If the buyer fails to collect such penalty, such
11 buyer and all persons entitled to share in the wheat
12 marketed from the farm or the proceeds thereof shall
13 be jointly and severally liable for such penalty."

14 (9) By repealing paragraph (12), and by adding
15 the following new paragraphs to follow paragraph (11),
16 redesignated by this section as paragraph (10):

17 "(11) The persons liable for the payment or col-
18 lection of the penalty on any amount of wheat shall
19 be liable also for interest thereon at the rate of 6 per
20 centum per annum from the date the penalty becomes
21 due until the date of payment of such penalty.

22 "(12) If marketing quotas for wheat are not in
23 effect for any marketing year, all previous marketing
24 quotas applicable to wheat shall be terminated, effective

1 as of the first day of such marketing year. Such termi-
2 nation shall not abate any penalty previously incurred
3 by a producer or relieve any buyer of the duty to remit
4 penalties previously collected by him."

5 SEC. 420. Section 371 of the Agricultural Adjustment
6 Act of 1938, as amended, is hereby amended as follows:

7 (1) Subsection (a) is amended by deleting "corn,
8 wheat," in the first sentence thereof.

9 (2) The first sentence of subsection (b) is amended
10 by striking out "any national acreage allotment for corn
11 or", "wheat," and "in order to effect the declared policy
12 of this Act or".

13 SEC. 421. Section 385 of the Agricultural Adjustment
14 Act of 1938, as amended, is hereby amended by inserting in
15 the first sentence after "parity payment," the following:
16 "payment under section 339,".

17 SEC. 422. The amendments to the Agricultural Adjust-
18 ment Act of 1938, as amended, and to Public Law 74, Sev-
19 enty-seventh Congress, as amended, made by sections 410
20 through 421 of this Act shall be in effect only with respect to
21 programs applicable to the crops planted for harvest in the
22 calendar year 1963 or any subsequent year and the market-
23 ing years beginning in the calendar year 1963 or any sub-
24 sequent year.

1 WHEAT MARKETING ALLOCATION PROGRAM

2 SEC. 423. Title III of the Agricultural Adjustment Act
3 of 1938, as amended, is hereby amended (1) by designating
4 subtitles D and E as subtitles E and F, respectively, and (2)
5 by inserting after subtitle C a new subtitle D as follows:

6 “SUBTITLE D—WHEAT MARKETING ALLOCATION

7 “LEGISLATIVE FINDINGS

8 “SEC. 379a. Wheat, in addition to being a basic food,
9 is one of the great export crops of American agriculture and
10 its production for domestic consumption and for export is
11 necessary to the maintenance of a sound national economy
12 and to the general welfare. The movement of wheat from
13 producer to consumer, in the form of the commodity or any
14 of the products thereof, is preponderantly in interstate and
15 foreign commerce. Unreasonably low prices of wheat to
16 producers impair their purchasing power for nonagricultural
17 products and place them in a position of serious disparity
18 with other industrial groups. The conditions affecting the
19 production of wheat are such that without Federal assist-
20 ance, producers cannot effectively prevent disastrously low
21 prices for wheat. It is necessary, in order to assist wheat
22 producers in obtaining fair prices, to regulate the price of

1 wheat used for domestic food and for exports in the manner
2 provided in this subtitle.

3 "WHEAT MARKETING ALLOCATION

4 "SEC. 379b. During any marketing year for which a
5 marketing quota is in effect for wheat, beginning with the
6 marketing year for the 1963 crop, a wheat marketing allo-
7 cation program shall be in effect as provided in this subtitle.
8 Whenever a wheat marketing allocation program is in effect
9 for any marketing year the Secretary shall determine (1)
10 the wheat marketing allocation, which shall be the amount
11 of wheat used during the marketing year for human con-
12 sumption in the United States and exports on which market-
13 ing certificates shall be issued to producers in order to
14 achieve, insofar as practicable, the price and income objec-
15 tives of this subtitle, and (2) the national allocation per-
16 centage which shall be the percentage which the national
17 marketing allocation is of the national marketing quota of
18 wheat during the calendar year in which such marketing
19 year begins. Each farm shall receive a wheat marketing al-
20 location for such marketing year equal to the number of
21 bushels obtained by multiplying the number of acres in the
22 farm acreage allotment for wheat by the estimated yield of

1 wheat for the farm as determined by the Secretary, and
2 multiplying the resulting number of bushels by the national
3 allocation percentage.

4 "MARKETING CERTIFICATES

5 "SEC. 379c. (a) The Secretary shall provide for the is-
6 suance of wheat marketing certificates for each marketing
7 year for which a wheat marketing allocation program is in
8 effect for the purpose of enabling producers on any farm with
9 respect to which certificates are issued to receive, in addition
10 to the other proceeds from the sale of wheat, an amount equal
11 to the value of such certificates. The wheat marketing cer-
12 tificates issued with respect to any farm for any marketing
13 year shall be in the amount of the farm wheat marketing
14 allocation for such year, but not to exceed (i) the actual
15 acreage of wheat planted on the farm for harvest in the
16 calendar year in which the marketing year begins multiplied
17 by the estimated yield of wheat for the farm, plus (ii) the
18 amount of wheat stored to avoid or postpone a marketing
19 quota penalty, which is released from storage during the
20 marketing year on account of underplanting or underproduc-
21 tion. The Secretary shall provide for the sharing of wheat
22 marketing certificates among producers on the farm on the
23 basis of their respective shares in the wheat crop produced on
24 the farm, or the proceeds therefrom.

25 "(b) No producer shall be eligible to receive wheat

1 marketing certificates with respect to any farm for any
2 marketing year in which a marketing quota penalty is
3 assessed for any commodity on such farm or in which the
4 farm has not complied with the land-use requirements of
5 section 339 to the extent prescribed by the Secretary, or in
6 which, except as the Secretary may by regulation prescribe,
7 the producer exceeds the farm acreage allotment on any
8 other farm for any commodity in which he has an interest
9 as a producer.

10 “(c) Whenever a wheat marketing allocation program
11 is in effect for any marketing year, the Secretary shall
12 determine and proclaim for such marketing year the face
13 value per bushel of marketing certificates. The face value
14 per bushel of marketing certificates shall be equal to the
15 amount by which the level of price support for wheat ac-
16 companied by certificates exceeds the level of price support
17 for wheat not accompanied by certificates (noncertificate
18 wheat).

19 “(d) Marketing certificates and transfers thereof shall
20 be represented by such documents, marketing cards, records,
21 accounts, certifications, or other statements or forms as the
22 Secretary may prescribe.

23 “MARKETING RESTRICTIONS

24 “SEC. 379d. (a) All persons are prohibited from acquir-
25 ing marketing certificates from the producer to whom such

1 certificates are issued, unless such certificates are acquired in
2 connection with the acquisition from such producer of a num-
3 ber of bushels of wheat equivalent to the marketing certifi-
4 cates. Marketing certificates shall be transferable only in
5 accordance with regulations prescribed by the Secretary.
6 Any unused certificates held by persons other than the pro-
7 ducer to whom such certificates are issued shall be purchased
8 by Commodity Credit Corporation. Notwithstanding the
9 foregoing provisions of this section, Commodity Credit Cor-
10 poration is authorized to purchase from producers certificates
11 not accompanied by wheat in cases where the Secretary
12 determines that it would constitute an undue hardship to
13 require the producer to transfer his certificates only in con-
14 nection with the disposition of wheat.

15 “(b) During any marketing year for which a wheat
16 marketing allocation program is in effect, (i) all persons
17 engaged in the processing of wheat into food products com-
18 posed wholly or partly of wheat shall, prior to marketing
19 any such product for human food in the United States, ac-
20 quire marketing certificates equivalent to the number of
21 bushels of wheat contained in such product, and (ii) all
22 persons exporting wheat or food products composed wholly
23 or partly of wheat shall prior to such export acquire market-
24 ing certificates equivalent to the number of bushels so
25 exported. Marketing certificates shall be valid to cover only

1 sales or exportations made during the marketing year with
2 respect to which they are issued, and after being once used
3 to cover a sale or export of a food product or an export of
4 wheat shall be void and shall be disposed of in accordance
5 with regulations prescribed by the Secretary.

6 “(c) Upon the giving of a bond or other undertaking
7 satisfactory to the Secretary, and subject to such regulations
8 as he may prescribe, to secure the purchase of and payment
9 for such marketing certificates as may be required, any per-
10 son required to have marketing certificates in order to mar-
11 ket or export a commodity may market any such commodity
12 without having first acquired marketing certificates.

13 “(d) As used in this subtitle, the term ‘food products’
14 means any product to be used for human consumption, in-
15 cluding beverage.

16 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
17 CERTIFICATES

18 “SEC. 379e. For the purpose of facilitating the purchase
19 and sale of marketing certificates, the Commodity Credit
20 Corporation is authorized to issue, buy, and sell marketing
21 certificates in accordance with regulations prescribed by the
22 Secretary. Such regulations may authorize the Corporation
23 to issue and sell certificates in excess of the quantity of cer-
24 tificates which it purchases and in the purchase and sale of
25 marketing certificates to make such discounts and charge

1 such premiums not exceeding 5 per centum of the face
2 value of the certificate as the Secretary shall determine
3 necessary to encourage the purchase and sale of such certif-
4 icates through commercial channels.

5 "CONVERSION FACTORS

6 "SEC. 379f. The Secretary shall establish conversion
7 factors which shall be used to determine the amount of wheat
8 contained in any food product. The conversion factor for
9 any such food product shall be determined upon the basis of
10 the weight of wheat used in the manufacture of such product.

11 "AUTHORITY TO FACILITATE TRANSITION

12 "SEC. 379g. The Secretary is authorized to take such
13 action as he determines to be necessary to facilitate the tran-
14 sition from the program currently in effect to the program
15 provided for in this subtitle. Notwithstanding any other pro-
16 vision of this subtitle, such authority shall include, but shall
17 not be limited to, the authority to exempt all or a portion of
18 the wheat or food products made therefrom in the channels of
19 trade on the effective date of the program under this subtitle
20 from the marketing restrictions in subsection (b) of section
21 379d, or to sell certificates to persons owning such wheat or
22 food products at such prices as the Secretary may determine.
23 Any such certificate shall be issued by Commodity Credit
24 Corporation.

1 “REPORTS AND RECORDS

2 “SEC. 379h. This section shall apply to warehousemen,
3 processors, and exporters of wheat and food products con-
4 taining wheat, and all persons purchasing, selling, or
5 otherwise dealing in wheat marketing certificates. Any
6 such person shall, from time to time on request of
7 the Secretary, report to the Secretary such information
8 and keep such records as the Secretary finds to be neces-
9 sary to enable him to carry out the provisions of this
10 subtitle. Such information shall be reported and such records
11 shall be kept in such manner as the Secretary shall prescribe.
12 For the purpose of ascertaining the correctness of any report
13 made or record kept, or of obtaining information required to
14 be furnished in any report, but not so furnished, the Secretary
15 is hereby authorized to examine such books, papers, records,
16 accounts, correspondence, contracts, documents, and memo-
17 randums as he has reason to believe are relevant and are
18 within the control of such person.

19 “PENALTIES

20 “SEC. 379i. (a) Any person who violates or attempts
21 to violate or who participates or aids in the violation of any
22 of the provisions of subsection (b) of section 379d of this
23 Act shall forfeit to the United States a sum equal to two
24 times the face value of the marketing certificates involved in

1 such violation. Such forfeiture shall be recoverable in a
2 civil action brought in the name of the United States.

3 “(b) Any person, except a producer who is subject to
4 subsection (c) of this section, who violates or attempts to vio-
5 late or who participates or aids in the violation of any pro-
6 vision of this subtitle, or of any regulation, governing the
7 acquisition, disposition, or handling of marketing certificates
8 or who fails to make any report or keep any record as re-
9 quired by section 379h shall be deemed guilty of a misde-
10 meanor and upon conviction thereof shall be subject to a fine
11 of not more than \$5,000 for each violation.

12 “(c) Any person who, in his capacity as a producer,
13 knowingly violates or attempts to violate or who participates
14 or aids in the violation of any provision of this subtitle, or of
15 any regulation, governing the acquisition, disposition, or
16 handling of marketing certificates or fails to make any report
17 or keep any record as required by section 379h shall, (i) for-
18 feit any right to receive marketing certificates, in whole or in
19 part as the Secretary may determine, with respect to the farm
20 or farms and for the marketing year with respect to which
21 any such act or default is committed, or (ii) , if such market-
22 ing certificates have already been issued, pay to the Secretary,
23 upon demand, the amount of the face value of such certifi-
24 cates, or such part thereof as the Secretary may determine.
25 Such determination by the Secretary with respect to the

1 amount of such marketing certificates to be forfeited or the
2 amount to be paid by such producer shall take into considera-
3 tion the circumstances relating to the act or default com-
4 mitted and the seriousness of such act or default.

5 “(d) Any person who falsely makes, issues, alters,
6 forges, or counterfeits any marketing certificate, or with
7 fraudulent intent possesses, transfers, or uses any such falsely
8 made, issued, altered, forged, or counterfeited marketing cer-
9 tificate, shall be deemed guilty of a felony and upon con-
10 viction thereof shall be subject to a fine of not more than
11 \$10,000 or imprisonment of not more than ten years, or
12 both.

13 “REGULATIONS

14 “SEC. 379j. The Secretary shall prescribe such regula-
15 tions as may be necessary to carry out the provisions of this
16 subtitle including but not limited to regulations governing
17 the acquisition, disposition, or handling of marketing cer-
18 tificates.”

19 SEC. 424. The Agricultural Act of 1949, as amended,
20 is amended as follows:

21 (1) By inserting after section 106 the following new
22 section:

23 “SEC. 107. Notwithstanding the provisions of section
24 101 of this Act, beginning with the 1963 crop—

25 “(1) price support for wheat accompanied by mar-

1 keting certificates shall be at such level not less than
2 75 per centum or more than 90 per centum of the
3 parity price therefor as the Secretary determines appro-
4 priate taking into consideration the factors specified in
5 section 401 (b) ;

6 “(2) price support for wheat not accompanied by
7 marketing certificates shall be at such level as the Sec-
8 retary determines appropriate taking into consideration
9 competitive world prices of wheat, the feeding value
10 of wheat in relation to feed grains, and the level at
11 which price support is made available for feed grains;

12 “(3) if marketing quotas are in effect for the crop
13 of wheat, price support shall be made available only
14 to cooperators;

15 “(4) no price support shall be made available for
16 any crop of wheat for which marketing quotas are not
17 in effect because of disapproval of quotas by producers;

18 “(5) the level of price support for any crop of
19 wheat for which a national marketing quota is not pro-
20 claimed shall be as provided in section 101; and

21 “(6) a ‘cooperator’ with respect to any crop of
22 wheat produced on a farm shall be a producer who (i)
23 does not knowingly exceed (A) the farm acreage al-
24 lotment for wheat or any other commodity on the farm
25 or (B) except as the Secretary may by regulation pre-

1 scribe, the farm acreage allotment on any other farm
2 for any commodity in which he has an interest as a pro-
3 ducer, and (ii) complies with the land-use requirements
4 of section 339 of the Agricultural Adjustment Act of
5 1938, as amended, to the extent prescribed by the Sec-
6 retary."

7 (2) By changing the period at the end of the
8 third sentence in section 407 to a colon and adding the
9 following: "*Provided*, That if a wheat marketing alloca-
10 tion program is in effect, the current support price for
11 wheat shall be the support price for wheat accompanied
12 by a certificate and wheat sold shall be accompanied
13 by a certificate."

14 (3) By adding at the end of section 407 the fol-
15 lowing new sentence: "Notwithstanding any other pro-
16 vision hereof, if a marketing quota for wheat for any
17 marketing year is disapproved by producers, the Com-
18 modity Credit Corporation may sell for unrestricted use
19 from its stocks at market prices during the marketing
20 year not to exceed two hundred million bushels of
21 wheat."

22 SUBTITLE C—DAIRY

23 SEC. 430. The current rate of production and marketing
24 of milk in the continental United States, excluding Alaska,
25 is such as will result in excessive and burdensome supplies

1 of milk and other dairy products during the marketing year
2 ending March 31, 1963.

3 In order to afford producers the opportunity and the
4 means by which they can on a compensated basis voluntarily
5 adjust their marketings of milk during the marketing year
6 ending March 31, 1963, more nearly to equal demand and
7 thus reduce Government purchases under its price support
8 program, the Secretary of Agriculture is hereby authorized,
9 through the Commodity Credit Corporation, to carry out for
10 the marketing year ending March 31, 1963, an emergency
11 dairy surplus reduction payments program as set forth in
12 the following sections of this subtitle.

13 SEC. 431. The Commodity Credit Corporation is hereby
14 authorized to make surplus reduction payments to producers
15 in continental United States, excluding Alaska, who agree
16 to reduce, during any one or more quarterly marketing
17 periods of the marketing year ending March 31, 1963, their
18 marketings to a level not (i) less than 10 per centum or
19 (ii) more than the larger of 25 per centum or seven thou-
20 sand five hundred pounds of milk below their normal
21 marketing levels established pursuant to section 434 of this
22 Act for each such quarterly marketing period: *Provided*,
23 That Commodity Credit Corporation shall, to the maximum
24 extent practicable, limit such agreements so as not to effect

1 adjustments in any dairy district in excess of 10 per centum
2 of the estimated total marketings by all producers in such
3 district during the preceding marketing year. For this pur-
4 pose, the Secretary shall divide the continental United States,
5 excluding Alaska, into fifteen dairy districts each having
6 therein approximately the same proportion of total milk pro-
7 duction. Such payments shall not exceed (i) \$2.50 per
8 hundredweight of milk, basis 3.82 per centum butterfat con-
9 tent, (ii) such rates as the Secretary determines will effec-
10 tuate voluntary reduction in marketings by producers, or
11 (iii) the cost of acquiring such milk in the form of dairy
12 products had such milk been marketed. A producer who fails
13 to reduce his marketings to the extent required by his agree-
14 ment shall be eligible to the surplus reduction payment on the
15 quantity by which he actually reduced his marketings below
16 his normal marketing level, provided he reduces by as much
17 as 10 per centum of his normal marketing level, but the
18 amount of such payment shall be reduced by an amount
19 equal to 20 per centum of what would have been the pay-
20 ment on the quantity of milk which he failed to reduce.
21 Agreements entered into hereunder may contain such terms
22 and conditions as the Secretary determines necessary to
23 effectuate the purposes of the emergency dairy surplus re-
24 duction payments program and to assure that a producer's

1 reduction in marketings is not offset through a transfer of
2 his milk cows to another producer for the production and
3 marketing of milk.

4 SEC. 432. The Secretary shall establish a normal mar-
5 keting level for each producer in the continental United
6 States, excluding Alaska, who desires to enter into an
7 agreement with Commodity Credit Corporation pursuant
8 to section 433 of this Act. Such normal marketing level
9 shall be the number of pounds of milk, or the number of
10 pounds of milkfat, or such units of dairy products as the
11 Secretary may deem appropriate for the administration of
12 this subtitle which is the lower of (i) the producer's mar-
13 ketings during the calendar year 1961 or (ii) the Secre-
14 tary's estimate of what would be marketed in a calendar
15 year by the producer based on the rate of his marketings
16 when he enters into the agreement with Commodity Credit
17 Corporation, adjusted for seasonal variation. In establish-
18 ing a normal marketing level, the Secretary shall make
19 such adjustments in the producer's 1961 marketings as he
20 deems necessary for food, drought, disease of herd, personal
21 health, or other abnormal conditions affecting production or
22 marketing, including the fact that the producer may have
23 commenced production and marketing after January 1,
24 1961. A producer's normal marketing level for the mar-
25 keting year shall be apportioned by the Secretary among

1 quarterly marketing periods thereof in accordance with the
2 producer's marketing pattern in 1961, subject to such ad-
3 justments as the Secretary determines necessary to enable the
4 producer to carry out his herd management plans for the
5 marketing year. The quantity thus apportioned to a quar-
6 terly marketing period shall be the producer's normal mar-
7 keting level for such period.

8 SEC. 433. The Secretary shall prescribe such conver-
9 sion factors as he deems necessary for use in determining
10 the quantity of milk marketed by producers who market
11 their milk in the form of farm-separated cream, butterfat,
12 and other dairy products.

13 SEC. 434. The quantity of milk reduced by a producer
14 pursuant to his agreement under this Act shall be considered
15 as having been produced and marketed by him for the pur-
16 pose of determining his production or marketing history un-
17 der any farm program in which such history may become a
18 factor. A producer may, to such extent and subject to such
19 terms and conditions as the Secretary may prescribe, trans-
20 fer his normal marketing level, or any part thereof, to any
21 other producer or prospective new producer who agrees to
22 utilize such normal marketing level for the disposition in
23 commercial channels of milk, butterfat, or dairy products
24 produced in the same State as that in which the transferor
25 engaged in production or any State adjacent thereto. A

1 producer who moves from one area to another and there
2 engages in the production and marketing of milk may take
3 with him all or any portion of his normal marketing level.

4 SEC. 435. (a) The Secretary shall prescribe such regu-
5 lations as are necessary for the enforcement and the effective
6 administration of this subtitle.

7 (b) Costs incurred in the carrying out of the provisions
8 of this subtitle shall be borne by the Commodity Credit Cor-
9 poration and shall be considered as nonadministrative ex-
10 penses of the Corporation.

11 SEC. 436. Whenever normal marketing levels are estab-
12 lished under this subtitle, notwithstanding any provision of
13 the Agricultural Marketing Agreement Act of 1937 (7
14 U.S.C. 601 et seq.), any order issued under section 8c
15 thereof may in addition to the provisions in section 8c (5)
16 and (7) contain provisions for an adjustment in the uniform
17 price for producers receiving surplus reduction payments for
18 marketings below their normal marketing level. Under such
19 provisions the total payments to such producers under an
20 order shall be equal to (1) the uniform price multiplied by
21 their normal marketing level minus (2) the lowest class
22 price under the order multiplied by the amount by which
23 such producers have reduced marketings below their normal
24 marketing level. In the computation of the uniform price
25 there shall be included, at the lowest class price, the volume

1 of milk upon which producers will be entitled to marketing
2 adjustment payments. For the purposes of this section a
3 producer's normal marketing level shall be apportioned on
4 a monthly basis. In the case of a producer part of whose
5 normal marketing level is based on marketings which were
6 not subject to regulation under the order during the represen-
7 tative period the Secretary shall apportion such producer's
8 normal marketing level in accordance with his deliveries of
9 milk in such representative period and the reduction in de-
10 liveries from the amount apportioned to the marketing area
11 shall be considered in the calculation of the uniform price
12 and payment under such order. The incorporation of pro-
13 visions in an order hereunder shall be subject to the same
14 procedural requirements of the Act as other provisions under
15 section 8c.

16 SEC. 437. No person engaged in the purchase or han-
17 dling of milk, milk fat, or dairy products shall discriminate
18 against any producer who enters into an agreement with the
19 Commodity Credit Corporation pursuant to this Act. The
20 Commodity Credit Corporation shall not purchase dairy
21 products from any person whom the Secretary determines
22 practices such discrimination. The several district courts of
23 the United States shall have original jurisdiction to hear and
24 determine controversies arising under this section, without
25 regard to the amount in controversy, and to enjoin and

1 restrain any person or persons from discriminating or con-
2 spiring to discriminate against any producer in violation of
3 this section.

4 TITLE V—GENERAL PROVISIONS

5 SEC. 501. The Consolidated Farmers Home Admin-
6 istration Act of 1961 (75 Stat. 307) is amended as follows:

7 (1) By striking out the period at the end of sec-
8 tion 304 and inserting a comma and the following:
9 “including, subject to all the provisions of section 302,
10 recreational uses and facilities.”;

11 (2) By inserting in section 306 (a) after the words
12 “soil conservation practices” the words “shifts in land
13 use including the development of recreational facilities”,
14 and by inserting after the word “drainage” the words
15 “or sewer”;

16 (3) By striking out in section 309 (f) (1) the
17 figure “\$10,000,000” and inserting in lieu thereof the
18 figure “\$25,000,000”; and

19 (4) By inserting in section 312 after the words
20 “and conservation” the words “including recreational
21 uses and facilities”.

1 SEC. 502. If any provision of this Act is declared uncon-
2 stitutional, or the applicability thereof to any person or
3 circumstance is held invalid, the validity of the remainder of
4 this Act and the applicability thereof to other persons and
5 circumstances shall not be affected thereby.

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

APRIL 11, 1962

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 13, 1962
For actions of April 12, 1962
87th-2d, No. 57

CONTENTS

Adjournment.....	8,14	Farm labor.....	4,9	Life insurance.....	10
Agricultural		Farm program.....	1,22	Loans.....	19,27
commodities.....	6	Food production.....	15	Peace Corps.....	2
Appropriations.....	3,13	Foreign currencies.....	27	Personnel.....	10,23,30
Area redevelopment...	20,31	Foreign trade...5,12,16,28		Reclamation.....	6,29
Civil defense.....	7	Forest products.....	17	Retirement.....	10,30
Conservation.....	21	Golden eagle.....	24	Taxation.....	18
Contracts.....	13	Guam.....	32	Textiles.....	5
Disaster relief.....	26	Housing loans.....	27	Training.....	10
Easter recess.....	13	Imports.....	17	Transportation.....	11
Electrification.....	25	Legislative program....	13	Water resources.....	6

HIGHLIGHTS: Senate committee approved Public Law 480 provisions of farm bill and tentatively agreed to corn and feed grains provisions. House committee voted to report bill to provide for registration of contractors of migratory farm workers.

SENATE

- FARM PROGRAM.** The "Daily Digest" states that the Agriculture and Forestry Committee "continued its executive consideration of S. 2786, proposed Food and Agriculture Act of 1962, and approved title 2 of the bill (Agricultural Trade Development), with amendments; and tentatively agreed to perfecting amendments to subtitle (a) of title 4 of the bill, relating to corn and feed grain, but took no final actions thereon, and will meet again tomorrow." p. D278
- PEACE CORPS.** Passed without amendment H. R. 10700, to increase the 1963 authorization for the Peace Corps from \$40,000,000 to \$63,750,000. This bill will now be sent to the President. Consideration of a similar bill, S. 2935, was indefinitely postponed. (pp. 6020-6) Rejected a proposed amendment by Sen. Lausche to reduce the authorization from \$63,750,000 to \$45,780,000. (pp. 6025-6)
- APPROPRIATIONS.** H. R. 11038, the second supplemental appropriation bill for 1962, was made the unfinished business. p. 6037

4. FARM LABOR. Received a Calif. Legislature resolution urging enactment of national minimum wage legislation for agricultural workers. p. 6001
5. FOREIGN TRADE; TEXTILES. Sen. Ervin inserted an address before a meeting of the Piedmont Associated Industries, "The Effect of Imports Upon the Textile and Garment Industries." pp. 6012-4
6. WATER RESOURCES. Sen. Mansfield inserted a letter to the President signed by the Governors of the 17 Western States commending him for support of the reclamation program and defending the production of agricultural commodities on reclamation lands. pp. 6014-5
Sen. Metcalf inserted a White House announcement on the memorandum of agreement between the Departments of Army and Interior on the division of responsibility for water resource development projects in Alaska, the Columbia River Basin, and the Missouri River Basin. pp. 6044-5
7. CIVIL DEFENSE. Sen. Wiley urged a more effective civil defense program and inserted a letter from the director of civil defense in Wisc. on "the problems and challenges in civil defense." pp. 6017-8
8. ADJOURNED until Mon., Apr. 16. p. 6046

HOUSE

9. MIGRATORY LABOR. The Education and Labor Committee voted to report (but did not actually report) S. 1126, to provide for the registration of contractors of migrant agricultural workers. p. D280
10. PERSONNEL. Received from the President a report of the Civil Service Commission on "Employee Development and Training in the Federal Civil Service, Fiscal Year 1961." p. 5997
The Post Office and Civil Service Committee issued a report "on the Federal Pay Act of 1956 and the Classification Act of 1949" (H. Rept. 1606). p. 5998
The Post Office and Civil Service Committee voted to report with amendments (but did not actually report) H. R. 8564, to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under the Act in the absence of any claim for payment. p. D280
The "Daily Digest" states that the Post Office and Civil Service Committee "voted to hold hearings on pay for Federal employees starting the first Thursday after the Easter recess, May 3, to be followed immediately by hearings on increases in retirement annuities." The committee also appointed investigative subcommittees on manpower utilization, civil service, postal operations, and census and government statistics. p. D281
11. TRANSPORTATION. Rep. St. Germain commended the President's transportation message, saying, "I am in agreement with the recommendation of the President in this regard." p. 5966
12. FOREIGN TRADE. Rep. Derounian criticized a report which he inserted in the Record urging increased trade with the Communist nations by the U. S. pp. 5981-8
13. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar and H. R. 10786, to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for the United States

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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Issued April 17, 1962
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CONTENTS

Libraries.....	23
Life insurance.....	4
Manpower development....	10
Metric system.....	6
Minerals.....	39
Organization.....	30
Peace Corps.....	32
Personnel.....	4,10,12,35
Prices.....	33
Public works.....	24
Purchasing.....	3
Reclamation.....	8
Research.....	2
Retirement.....	35
Rice.....	34
Roads.....	13,18
School lunch.....	5,34
Tariff.....	20
Tomatoes.....	31
Transportation.....	7
TVA.....	8
Wheat.....	26
Youth conservation....	28,36

Acreage allotments.....	11
Appropriations.....	1,10
Area redevelopment....	17,24
ASCS.....	38
Audit reports.....	7,8
Beef imports.....	14
Buildings.....	15
Claims.....	10
Consumers.....	21
Cooperatives.....	29
Cotton.....	11,20
Dairy industry.....	27
Electrification.....	8,29
Farm program.....	9,41
Food for peace.....	25
Foreign trade..	14,19,22,37
Forestry.....	18
Grain storage.....	16
Health benefits.....	35
Investigation.....	38
Lands.....	39,40
Legislative program....	20

HIGHLIGHTS: Senate committee voted to report (on Apr. 13) farm bill. Senate passed supplemental appropriation bill. House committee reported (on Apr. 13) Defense Department appropriation bill.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported on Apr. 13, during adjournment of the House, H. R. 11289, making appropriations for the Department of Defense for fiscal year 1963 (H. Rept. 1607). p. 6215
Received from the President amendments to the budget for 1963 involving a net decrease of \$2,400,000 for the Department of the Interior (H. Doc. 388). p. 6215
2. RESEARCH. Passed without amendment H. R. 6984, to provide for a method of payment of indirect costs of research and development contracted by the Federal Government at universities, colleges, and other educational institutions. p. 6150
3. PURCHASING. By a vote of 163 to 46, passed under suspension of the rules H. R. 10786, to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for or with the financial aid of the U. S., for any territory, or for D. C. pp. 6166-73

4. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 8564, to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such act in the absence of any claim for payment (H. Rept. 1610). p. 6215
5. SCHOOL LUNCH. At the request of Rep. Ford, passed over without prejudice H. R. 8962, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. p. 6150
6. METRIC SYSTEM. On objection of Rep. Gross, passed over H. R. 2049, to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the U. S. of the metric system of weights and measures. p. 6150
7. TRANSPORTATION. Received from the Comptroller General a report on the audit of the St. Lawrence Seaway Development Corporation (H. Doc. 389). p. 6215
8. RECLAMATION. Both Houses received from the Comptroller General a report on the audit of the Tennessee Valley Authority (H. Doc. 390). pp. 6215, 6047

SENATE

9. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee, on Apr. 13, "ordered favorably report with amendments S. 2786, proposed Food and Agriculture Act of 1962. A summary of the bill, as approved by the committee, is as follows:

Land Use Adjustment

"1. Permanent extension of the agricultural conservation program on a national basis.

"2. Payments to producers under the Soil Conservation and Domestic Allotment Act under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Total payments are restricted to \$10 million annually.

"3. Development of more economic use of lands, fish and wildlife projects, and assistance to local public authorities to provide public recreation under the Bankhead-Jones Farm Tenant Act.

"4. Loans under the Bankhead-Jones Act to State and Local public agencies to carry out plans of land conservation and land utilization, such loans to be repaid in 30 years.

"5. Payment of half the cost of fish, wildlife, and recreation improvements involving land, easements, rights-of-way, and minimum basic facilities under the Watershed Act.

"6. Farmers Home Administration loans for recreation facilities."

Public Law 480

"1. Authorize long-term supply contracts with private trade.

"2. Make permissive rather than mandatory the authority to make agreements with other exporting nations to participate in long-term supply programs."

Feed Grain Program

"Extends for 1 year (through 1963) the special feed grain program."

Wheat Program

"Authorizes producers by a majority vote to choose between --

- (a) a 2-year extension (through 1964) of the special wheat program; or
- (b) a marketing certificate plan under which noncertificated wheat would be supported at the feed value with corn and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would cover all wheat consumed domestically for food and such part of the exports as determined by the Secretary would carry out the price and income objectives of the bill."

Rural Electrification Administration

"Provides revolving fund for REA loans."

Industrial Uses of Agricultural Products

"Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to carry out an expanded research program on industrial uses of agricultural commodities."

10. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1962. Passed with amendments this bill, H. R. 11038 (pp. 6088-13, 6114-5, 6117-20). Conferees were appointed (p. 6120). See Digest 56 for a summary of items of interest to this Department.

Agreed to the following amendments:

The committee amendments as reported by the Appropriations Committee. pp. 6089-90, 6100

By Sen. Holland, to authorize the Director of the Budget Bureau to create a special panel within the Bureau to carefully screen and evaluate all requests for additional personnel, and to make exhaustive and searching inquiries within the departments and agencies prior to approving any request for additional personnel. p. 6090

By Sen. Holland, to provide \$2,850,000 for expenses necessary to carry into effect the Manpower Development and Training Act of 1962 (Public Law 87-415). pp. 6091-2

By Sen. Holland, to provide \$1,065,929 for payment of judgments and claims against the U. S. p. 6092

Sen. Williams, Del., submitted, but later withdrew, a proposed amendment to prohibit the use of Federal funds for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, or to pay the salary of any officer or employee, except certain elective and appointive officers, in the executive branch who appears before any public group for the purpose of explaining, interpreting, supporting, or opposing the administration's position on legislation pending before Congress. pp. 6092-7

11. COTTON. H. R. 11027, to amend the Agricultural Adjustment Act of 1938 so as to extend to the 1962 crop the authority of the Secretary to permit operators of farms with flooded-out cotton acreage to transfer cotton acreage allotments to another farm operated by the farmer in the same or an adjoining county, was made the unfinished business. p. 6120

12. PERSONNEL. Received from the President a report on employee development and training in the Federal Civil Service for fiscal year 1961. p. 6047

13. ROADS. Received from Commerce a proposed bill "to amend title 23, U. S. Code, with respect to the mileage of rural delivery and star routes used as a factor in apportionment of Federal-aid primary and secondary funds"; to Public Works Committee. p. 6048
14. BEEF IMPORTS. Received a Hawaii Legislature resolution urging a study of the importation of foreign beef to determine the advisability of imposing a quota on beef imports. p. 6049
15. PUBLIC BUILDINGS. The "Daily Digest" states that the Public Works Committee "'approved prospectuses for 27 construction projects for new Federal buildings; prospectuses for alterations for 74 existing Federal buildings; and prospectuses for 5 additional Federal buildings." p. D287
16. GRAIN STORAGE. Sen. Williams, Del., inserted correspondence with this Department "requesting information as to the status of any financial arrangements or storage agreements between his Department and Mr. Billie Sol Estes," and an article, "U. S. Aid Quits in Payola From Fertilizer King." p. 6084
17. AREA REDEVELOPMENT. Sen. Pell inserted an article, "Retraining the Unemployed discussing the retraining of unemployed workers "as the new Area Redevelopment Agency gets under way." pp. 6131-2
18. ROADS; FORESTRY. As introduced, S. 3136 and H. R. 11199, the Administration's proposed Federal-Aid Highway Act of 1962, includes appropriation authorizations as follows: forest development roads and trails; an additional \$10 million for fiscal year 1963, \$70 million for fiscal year 1964, and \$85 million for fiscal year 1965; forest highways: \$33 million for fiscal years 1964 and 1965; and Federal-aid primary and secondary highway system: \$950 million for fiscal years 1964 and 1965.
19. FOREIGN TRADE. Sen. Carlson inserted his address before the League of Women Voters in Topeka, Kans., discussing the importance of foreign trade to our agricultural economy. pp. 6120-3
Sen. Pell inserted an article, "Providence Pile Fabric Links Success to Export Business." p. 6128
20. LEGISLATIVE PROGRAM. Sen. Humphrey stated that H. R. 11027, the flooded-out cotton acreage bill, and H. R. 10607, tariff classification restatement bill, will be considered Tues., Apr. 17. Also, he stated that the Senate will adjourn from Tues. to Thurs., and from Thurs. to the following Mon. p. 6113

ITEMS IN APPENDIX

21. CONSUMERS. Extension of remarks of Rep. Hruska inserting two editorials criticizing the President's consumer message, "National Affairs -- A 'Protection' Consumers Need," and "From January to May." pp. A2894-5
22. FOREIGN TRADE. Extension of remarks of Rep. Rousselot criticizing H. R. 9900, the proposed Trade Expansion Act of 1962, and inserting an article, "Escape From Principle -- Washington Is Merely Paying Lip Service to Free Trade." p. A2904
Extension of remarks of Rep. Breeding inserting a resolution from the League of Women Voters of Kansas supporting H. R. 9900. pp. A2924-5
Extension of remarks of Rep. Dent inserting a letter from the Western Growers Association opposing the proposed Trade Expansion Act of 1962. p. A2941

DIGEST OF
H.R. 11222
FOOD AND AGRICULTURE ACT
OF 1962



APRIL 16, 1962

Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1962

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BRIEF SUMMARY OF H.R. 11222

H.R. 11222 supersedes and replaces H.R. 10010, the original bill which embraced the proposed Food and Agriculture Act of 1962. The House Committee on Agriculture revised and amended H.R. 10010. The amended language was tentatively approved by the committee and the Food and Agriculture Act of 1962 was reintroduced as H.R. 11222. This digest is intended to explain the provisions of H.R. 11222. As of this printing the committee has taken no final action on this bill, but has adopted two amendments, notations on which occur at the conclusion of this summary.

The bill contains five titles. Title I deals with land-use adjustment; title II amends Public Law 480 (83d Cong.); title III deals with marketing orders and agreements; title IV deals with commodity programs, including feed grains, wheat, and an emergency program for milk, and title V makes amendments in the Consolidated Farmers Home Administration Act of 1961. Following are the major provisions in each title:

TITLE I—LAND-USE ADJUSTMENT

Changes would be made in existing conservation, land-use, and watershed protection and flood prevention programs to provide new authorities for the Secretary of Agriculture to promote the conservation and economic use of land through the following amendments:

1. The Soil Conservation and Domestic Allotment Act is amended to permit the Secretary of Agriculture to enter into long-term agreements with farmers to provide for changes in cropping systems and land use for development of soil, water, forest, wildlife, and recreation resources by means of payments, cost-sharing, and other assistance.

2. Title III of the Bankhead-Jones Farm Tenant Act is amended to include the more economic use of lands not currently needed for agriculture and to provide for recreational development and wildlife protection. The new provisions permit the Secretary of Agriculture to assist local organizations through financial and other aid to develop and carry out programs of land conservation and land utilization.

3. The Watershed Protection and Flood Prevention Act is amended—

(a) To provide for cost-sharing assistance for recreational development, for Federal assistance to local organizations in acquiring land rights and basic facilities needed for public use of reservoirs and other areas for fishing, hunting, or other recreational purposes;

(b) to increase the limitation on flood prevention capacity in any single structure from 5,000 acre-feet to 12,500 acre-feet;

(c) to include water supply storage in a structure at the time it is built on the promise of a responsible local organization to begin repayment of the Federal cost in not more than 10 years;

(d) to give the Secretary greater latitude in setting equitable rates of cost sharing in consideration of national needs and cost-sharing provisions of other Federal legislation;

(e) to clarify existing authority under the act, particularly in regard to the 11 watershed improvement programs authorized by section 13 of the act of December 22, 1944.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT (AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (83D CONG.))

Section 201 of the bill would amend title IV of Public Law 480, as amended, which authorizes long-term supply contracts for dollar credits, in the following respects:

- (1) Clarifying the purposes,
- (2) Permitting agreements with financial institutions of friendly nations,
- (3) Authorizing transactions with foreign and U.S. private trade,
- (4) Changing the requirement for repayments to reasonable annual amounts with authority to defer the beginning of such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year, and
- (5) Changing from mandatory to discretionary the authority under which other exporting nations are permitted to participate in the program.

Sections 202 and 203 amend the authorities for carrying out school-lunch programs overseas. In addition to the authorities in three sections of law for donations to needy persons, donations are authorized for use in assistance of nonprofit school-lunch programs. The three sections amended are: Section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Cong.), as amended, and section 9 of the act, September 6, 1958. A new provision also is added as section 203 regarding student participation in the financing of school-lunch programs. Under current legislation, the extent to which donations could be made for school-lunch programs has not been clear.

The amendments would clearly authorize donations for general use in school-lunch programs without the necessity of determining that all children in the school were from economically needy families, and would also require charges to parents who could afford to pay for their children's lunches on a basis similar to that used in the national school-lunch program in the United States.

TITLE III—MARKETING ORDERS

Section 301 amends section 8c(2) of the Agricultural Marketing Agreement Act of 1937 to exempt potatoes for dehydrating from the authority for the issuance of marketing orders.

TITLE IV—COMMODITY PROGRAMS

Subtitle A—Feed grains

(1) The Secretary would proclaim a marketing quota (only at the national level) for each year equal to the total requirements of corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses and exports; less estimated imports and, if CCC stocks are excessive, less an amount not to exceed 7 percent of total utilization as the Secretary determines to be necessary. The Secretary could increase the quota to assure an adequate carryover or to meet a national emergency or an increase in demand.

(2) A national acreage allotment would be proclaimed equal to the number of acres which the Secretary determines will, on the basis of expected yields, produce the feed grains needed during the year less an amount to be taken from CCC stocks when stocks are excessive.

(3) The national acreage allotment (less a small reserve to take care of new areas coming into production) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains during the base period, as adjusted.

(a) The base period for the 1963 to the 1965 crops would be 1959 and 1960; for subsequent crops, the base period would be the two most recent calendar years for which statistics are available.

(b) Adjustments in farm bases would be authorized for abnormal conditions affecting farm acreages, for hardship, and other factors.

(4) Farms with a feed grain base of 25 acres or less would not be subject to program unless the producer elected to participate. If the producer did not so elect, he could plant up to his base acreage but would not be eligible for land-use payments, for price support.

(5) All producers with a feed grain base established for their farm would be eligible to vote in a 1-, 2-, or 3-year referendum except producers who elected to be exempt from the program. A two-thirds vote would be required to approve the program.

(6) Production on acreages of feed grains in excess of farm allotments would be subject to a marketing penalty at the rate of 65 percent of the parity price per bushel.

(7) The Secretary could permit wheat to be planted on the feed grain allotment to the extent that this did not impair the effective operation of the program.

(8) Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains.

(a) Acreage so diverted would be in addition to the acreage normally devoted to conserving uses, summer fallow, and idle land.

(b) A penalty would apply if the producer used the diverted acreage to produce crops, unless the crop is one named in the act and which is designated by the Secretary as not being in surplus supply.

(c) The Secretary could permit the diverted acres to be grazed, but if such acreage were grazed between April 1 and September 30, no diversion payment could be made.

(9) The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops, respectively, in amounts determined by the Secretary to be fair and reasonable, but not to exceed 50 percent of the value of normal production on the acreage diverted in 1963, 40 percent in 1964, and 30 percent in 1965.

(a) The Secretary could permit producers to divert an acreage, in addition to any acreage required to be diverted, equal to 20 percent of the farm acreage allotment.

(b) Producers could also, at their election, divert such additional acreage as would bring the total diverted acreage on the farm to 25 acres.

(10) The level of price support for feed grains would be between 65 and 90 percent of parity as determined by the Secretary.

(a) If marketing quotas were in effect, price support would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8.

(b) No price support would be provided if marketing quotas were disapproved by producers, and CCC would be authorized to sell feed grains for unrestricted use at market prices in amounts not to exceed 7 percent of total utilization during the year.

Subtitle B—Wheat

(1) The Secretary of Agriculture would set a yearly national marketing quota for wheat, including wheat for food and beverage, seed, exports, and the amount of wheat normally fed in recent years, less an amount to be taken from CCC stocks when stocks are excessive. The national marketing quota would be converted into a national acreage allotment, based on yields expected in the coming year. The 55-million-acre national minimum allotment in present law would be repealed.

(2) The national acreage allotment (less a small reserve for new areas) would be distributed to States, counties, and farms in the continental United States (except Alaska).

(3) The 15-acre exemption would be terminated and producers would receive an acreage allotment based on their average acreage in wheat in the period 1957 to 1961. Farms with average acreages of 15 acres or less in the period, 1957 to 1961, could elect to participate in the program or to be exempt. If they chose to be exempt, they would not be eligible for price support, marketing certificates, diversion payments, or to vote in the referendum. Producers who elected to be subject to the program would be eligible for payments, price support, marketing certificates and to vote in the referendum.

(4) A producer referendum would be held for a 1-, 2-, or 3-year program, subject to approval of two-thirds of those voting. The choices in the referendum would be between supply management program with price support, or no production adjustment program and no price support.

(5) If no production adjustment program were in effect, the Secretary could reduce CCC stocks by making annual domestic sales up to 200 million bushels of Government-held surplus wheat.

(6) Producers would divert to conservation uses on acreage equal in most cases to the difference between the allotment for any future year and the 1961 acreage allotment in addition to other conserving, idle, and fallow acreages. Diverted acreage could be grazed from

October 1 to April 1 without loss of payments, but no payments would be made if the land were grazed during the remainder of the year. The Secretary could permit the production of certain crops on diverted acreages, but would reduce diversion payments according to the value of the crop being produced.

(7) Diversion payments would be made in cash or in kind at rates determined by the Secretary to be "fair and reasonable," but not to exceed 50 percent of the value of normal production of the diverted acreage in 1963; 40 percent in 1964; and 30 percent in 1965. The Secretary could permit producers to divert an additional acreage equal to the greater of 20 percent of the wheat acreage on the farm or 15 acres.

(8) Price supports would be provided between 75 and 90 percent of parity on the wheat marketing allocation, on that portion of the national marketing quota which the Secretary determines should be supported at the higher level in order to achieve the objectives of the program. Marketing certificates would be issued by CCC to each producer, based on the farm acreage allotment, the normal yield per acre on the farm, and the determination of the Secretary of the proportion of the crop which would need to be supported at the higher level in order to achieve the income objectives of the act. The balance of the wheat would move in regular market channels without certificates, would be valued at approximately its value as a feed grain, and would be eligible for price support on that basis.

Marketing certificates would have a face value equal to the difference between the price support for noncertificate wheat (set in relation to feed value, feed grain price support, and world prices for wheat) and the price support on certificate wheat.

(9) Processors and exporters of wheat would be required to purchase certificates in the amount of wheat processed and exported.

(10) Wheat and feed grains would be interchangeable on the wheat allotment, unless such substitution would impair the operation of the program. The 30-acre wheat-for-feed exemption in the present law would be repealed, but producers who have been planting under it would receive credit for it in their feed grain base acreage.

(11) Penalties would be assessed against noncooperating producers by (a) denying land retirement payments, and price supports, and (b) levying a civil penalty based on the production on the acreage in excess of the farm allotment, times 65 percent of parity. A penalty would also be applied if the producer used the diverted acreage to produce crops other than ones named in the act and designated by the Secretary as not being in surplus supply. Persons other than wheat farmers violating provisions dealing with marketing certificates may be prosecuted for a misdemeanor, and any person (including wheat farmers) who falsely makes, issues, alters or counterfeits a wheat certificate would upon conviction be guilty of a felony.

(12) Provisions of law permitting farmers to plant wheat in excess of their farm wheat allotments for storage on the farm under bond to be applied to a subsequent year's short crop, would be repealed.

Subtitle C—Dairy

This subtitle authorizes an emergency surplus dairy reduction payments program for the marketing year ending March 31, 1963, by which producers may on a compensated basis voluntarily reduce their marketing of milk and dairy products below the lower of (i) their 1961

marketings or (ii) their current level of marketings. Commodity Credit Corporation may enter into agreements with producers who agree to reduce their marketing by not less than 10 percent nor more than the greater of 25 percent or 7,000 pounds of milk for any quarter of the marketing year. Payments shall not exceed (i) \$2.50 per hundredweight, (ii) that amount which the Secretary determines necessary to secure a reduction in marketing, or (iii) the cost of acquiring an equivalent quantity of dairy products.

Section 436 of the subtitle authorizes amending marketing agreements and orders under the Marketing Agreement Act of 1937 by which the reduction of a producer under his agreement with Commodity Credit Corporation shall be considered as made from the lowest class use under the marketing orders and agreements thereby protecting his share in the highest use milk.

TITLE V—GENERAL PROVISIONS

The Consolidated Farmers Home Administration Act of 1961 is amended to:

(1) Authorize loan assistance to farmers in developing recreational facilities and recreational use of land in rural areas.

(2) Authorize loan assistance to nonprofit organizations for development of sewer systems.

(3) Increase from \$10 to \$25 million the amount of loans which the Secretary may make and have on hand at any one time while in the process of selling these loans to private investors on an insured basis.

NOTE.—The Committee on Agriculture has approved two amendments to H.R. 11222, as follows:

1. Revising title II of Public Law 480 (83d Cong.) to permit acquisition of surplus commodities for title II programs (donations to needy people in foreign countries) from private stocks. Such donations now are confined to stocks held by the Commodity Credit Corporation. Under this amendment, surplus stocks of any food commodity could be acquired for foreign relief purposes.

2. Provide in the feed grains section of H.R. 11222 (title IV) that:

Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (i.e., production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of Section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of Section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued April 30, 1962
For actions of April 27, 1962
87th-2d, No. 66

CONTENTS

Adjournment.....12	Farm bill.....1	Property.....5
Alaska highways.....6	Farm loans.....2	Reclamation.....10
Civil defense.....7	Foreign trade.....11	Roads.....6
Conservation corps.....9	Forestry.....3	Standby capital.....4
Exports.....11	Public works.....4	Telecommunications.....8

HIGHLIGHTS: Senate committee reported farm bill. Sen. Humphrey commended use of labor union funds for farm loans.

SENATE

- 1. FARM BILL.** The Agriculture and Forestry Committee reported without amendment S. 3225, a revised version of the farm bill (S. Rept. 1365). Sen. Ellender stated that it is an original bill and "a complete substitute for the bill introduced by me in the early part of February." pp. 6687-8
- 2. FARM LOANS.** Sen. Humphrey commended the announcement that the International Ladies' Garment Workers' Union would invest \$20 million for Farmer Home Administration loans to be used to improve, enlarge, and purchase family farms, re-finance farm debts, and develop water systems for farm households and for irrigation, and inserted a release of this Department announcing the program after a meeting of the president of the union with Secretary Freeman. pp. 6731-2
- 3. FORESTRY.** Sen. Morse discussed Forest Service policies regarding the sale of timber and construction of forest roads and their effects on the timber industry, and inserted correspondence with this Department regarding the situation. pp. 6733-41
- 4. PUBLIC WORKS.** Sen. Robertson announced his intention to have S. 2965, to provide standby authority to accelerate public works programs, which was recently reported by the Public Works Committee, referred to the Banking and Currency

Committee for study of the method of financing the program. Sen. Case, S. Dak., expressed support for such a move. pp. 6692-3

5. PROPERTY. The Public Works Committee reported with amendment H. R. 8355, to authorize executive agencies to grant easements in, over, or upon real property of the U. S. under the control of such agencies (S. Rept. 1364). p. 6687
6. ROADS. The Public Works Committee reported without amendment S. J. Res. 137, to authorize the Secretary of Commerce, in cooperation with Alaska, to undertake studies and surveys relative to a highway construction program in Alaska (S. Rept. 1371). p. 6687
7. CIVIL DEFENSE. Received from the Defense Department reports on Federal contributions under the Federal Civil Defense Act of 1950 for the quarters ended Dec. 31, 1961, and March 31, 1962. p. 6686
8. TELECOMMUNICATIONS. Received from GSA a proposed bill "to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund"; to Government Operations Committee. p. 6686
9. CIVILIAN CONSERVATION CORPS. Received a Mass. General Court resolution urging enactment of legislation to provide for the "establishment of a new Civilian Conservation Corps." p. 6687
10. RECLAMATION. Received from Interior a report on the receipt of a project proposal from the Banta-Carbona Irrigation District of San Joaquin County, Calif. p. 6686
11. EXPORTS; FOREIGN TRADE. Sen. Robertson announced that a hearing will be held on May 2, 1962, on S. 3161, to provide for continuation of authority for regulation of exports. p. 6688
12. RECESSED until Mon., Apr. 30. p. 6742

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For supplemental information or copies of legislative material referred to, USDA personnel in Washington may call Ext. 4654 or send to Room 117-E.

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FOOD AND AGRICULTURE ACT OF 1962

APRIL 27, 1962.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

Together with

SUPPLEMENTAL VIEWS

[To accompany S. 3225]

The Committee on Agriculture and Forestry reported an original bill (S. 3225), to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, with a recommendation that it do pass.

SHORT EXPLANATION

The bill consists of five titles providing for—

TITLE I—LAND USE ADJUSTMENT

1. Permanent administration of the agricultural conservation program on a national basis.

2. Payments to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Appropriations are restricted to \$10 million annually.

3. Loans to State and local public agencies to carry out land utilization plans. ✓

4. Amendments to the Watershed Protection and Flood Prevention Act providing, among other things, for Federal participation in installation costs for recreation purposes and in land costs for public fish, wildlife, and recreation purposes.

TITLE II—PUBLIC LAW 480

Long-term supply contracts with the private trade and other amendments of title IV of Public Law 480, 83d Congress.

TITLE III (SUBTITLE A)—FEED GRAIN PROGRAM

Extension of the special feed grain program to the 1963 crop.

TITLE III (SUBTITLE B)—WHEAT PROGRAM

Choice by producers by a majority vote between—

(a) Extension of the special wheat program to the 1963 and 1964 crops, or

(b) A marketing certificate plan under which noncertificated wheat would be supported at a level determined after consideration of its feed value and world price, and certificated wheat would be supported at between 65 and 90 percent of parity. Certificates would be issued to producers for all wheat consumed domestically for food and such part of the exports as determined by the Secretary would carry out the price and income objectives of the bill.

TITLE IV—CREDIT

1. Farmers Home Administration loans for recreational facilities and sewers.

2. An increase (from \$10 million to \$25 million) in the amount of direct FHA real estate loans for immediate resale which can be made from the agricultural credit insurance fund.

3. A single loan fund for Rural Electrification Administration loans, to include funds appropriated, borrowed, or repaid, and to be available for loans only as authorized in appropriation acts.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

PART I—GENERAL BACKGROUND INFORMATION

INTRODUCTION AND CONSIDERATION OF S. 2786

S. 2786 was introduced by the chairman of the committee at the request of the administration. That bill provided for an extensive program of land use adjustment; amendments to Public Law 480 in furtherance of the food-for-peace program; amendments to the Agricultural Marketing Agreement Act of 1937 which would have authorized producer quotas under marketing orders for turkeys, turkey hatching eggs, and for milk; new supply management programs for feed grains, wheat, and milk; and amendments to the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936. Hearings were conducted on S. 2786 for 8 days, and thereafter a clean bill was developed by the committee.

Although having reservations about certain provisions, the chairman's purpose in introducing the bill was to lay the foundation for a

general review of the agricultural policy in effect for the feed grains, wheat, and dairy products. Of all the agricultural commodities entitled to price supports, these have been most troublesome and costly. In addition, in the case of feed grains and wheat there has been a substantial accumulation of excess stocks by the Federal Government.

The production of corn in 1960 under the open end program wherein price supports were guaranteed producers with no acreage restriction on production was the highest in history.

Notwithstanding the fact that about 19.1 million acres were retired and production was reduced 284 million bushels below 1960 under the emergency feed grain program in effect in 1961, production of corn that year was the third largest in history.

The steady increase in production in excess of our requirements has resulted in an accumulation of stocks under loan and owned by the Government which now equals almost a half year's supply.

As of February 28, 1961, price support investment by Commodity Credit Corporation in feed grains amounted to \$3.3 billion. This compares with less than \$1 million as of June 30, 1948.

Commodity Credit Corporation price support losses and other related costs, including export subsidies for the feed grains since the beginning of the program, amounted to \$2.2 billion as of December 31, 1961.

While the emergency feed programs in effect in 1961 and in 1962 will be less costly in the long run than if the open-end program had been in effect, the fact is that this program also involves a high level of Government expenditure.

In the case of wheat, production has exceeded requirements regularly and on February 28, 1961, price support investment by Commodity Credit Corporation in wheat amounted to \$2.6 billion. This compares with a price support investment of only \$8 million in 1948.

The quantity of wheat under loan or owned by the Government now exceeds a full year's supply. In 1938 a minimum national acreage allotment for wheat of 55 million acres was placed in the law. At that time yields per acre averaged 13.3 bushels. In 1960-61 yields averaged 26.2 bushels per acre. Notwithstanding the fact that a substantial oversupply of wheat exists, the Secretary of Agriculture cannot reduce the national allotment below the 55 million acres specified in the law. Repeated efforts to change this minimum have failed, yet this is the one factor contributing most to the increased cost of that program.

The dairy program also has been very costly. The total cost to the Commodity Credit Corporation since the inception of the program amounts to \$2.6 billion. About \$2 billion came about through losses on price supports and about \$600 million through the cost of the special school milk and armed services milk programs. For the marketing year just past, the Department estimated that about \$562 million was spent in supporting the price of milk, while another \$95 million was spent for the special school milk program. A large part of the increased cost was due to an unexpected decline in milk consumption. The Department further estimated that in spite of the fact that price supports were reduced from \$3.40 to \$3.11 for the present year, the cost of the dairy program will not be materially lower than the cost last year.

Notwithstanding the excessively high cost of these programs and the huge accumulation of stocks in Government hands, farm incomes have been low and farmers have not shared in the general prosperity experienced by the rest of the economy.

The committee is of the opinion that ways to reduce the costs of these programs and increase farm income must be found. A continuation of the existing cost levels of these programs might well imperil the continuation of all agricultural programs. As to wheat, corn, and other feed grains, price supports should be limited to producers who are willing to curtail their acreage to keep supplies in line with demand; and if price supports for those commodities are to be continued, an effective means of limiting production to the amount needed must be developed.

LAND-USE ADJUSTMENT

The land-use adjustment program proposed by the administration would have provided unlimited authority for the Secretary of Agriculture to divert lands under the Soil Conservation and Domestic Allotment Act through contracts with farmers for the purpose of promoting the conservation and economic use of land including recreational purposes; would have authorized the Secretary of Agriculture to acquire lands in unlimited quantity under the Bankhead-Jones Farm Tenant Act for the purpose of land utilization and conservation including recreational purposes; and would have authorized the Secretary of Agriculture under the Watershed Protection and Flood Prevention Act to enter into agreements with local organizations to purchase land in watershed projects in unlimited amounts for the purpose of fish and wildlife, and recreational developments.

Title I of the bill dealing with land-use adjustment proved to be one of the most difficult parts of the bill to perfect. While only a pilot program under this title was contemplated, the language of the bill, as introduced, was broadly stated in order to provide the committee with a variety of suggested methods for accomplishing its purpose.

The committee by its action of sharply limiting to \$10 million the annual amounts which may be obligated under long-term agreements with farmers under the Soil Conservation and Domestic Allotment Act; by eliminating entirely, not only from the bill but from existing law, the authority of the Secretary to acquire land under the Bankhead-Jones Farm Tenant Act; and by limiting the authority of the Secretary under the Watershed Protection and Flood Prevention Act, has indicated that the Department of Agriculture should proceed cautiously under the program authorized. The Secretary of Agriculture had indicated in testimony before this committee that he intended the land-use program to be operated initially on a pilot basis.

While some adjustments in land use and the development of fish and wildlife and recreation appear desirable, the committee is of the opinion that such adjustments should not lead to the development or establishment of a new bureaucracy to administer such a program. It is expected that these programs could be handled by existing Department of Agriculture agencies which now administer similar activities. The development of recreational areas and fish and wildlife areas by individual farmers and by local organizations, the committee feels, is the best way to proceed with such a program.

THE FEED GRAIN SITUATION AND PROGRAM

The 1961 emergency feed grain program has been successful in reducing production and carryover and will result in lower CCC costs this year and for years to come. This has been accomplished without adverse effect on consumer prices. Farm income was improved both as a result of better prices and through payments made to producers for diverting feed grain land to a conservation use.

Until this program was put into effect, feed grain production had increased sharply—largely as a result of increased acreages after allotments were ended, and higher per acre yields. Carryover stocks at the beginning of the 1961 marketing year reached an all-time high of nearly 85 million tons—more than four times those for 1952. In spite of unusually favorable weather in 1961, the program is expected to reduce total carryover stocks by the end of the 1961–62 marketing year by nearly 7.5 million tons, as shown in table 1. In table 2 the supply and utilization of individual feed grains are given.

The Department of Agriculture estimates that had the open-end 1960 program for feed grains been in effect the production of corn would have been about 350 million bushels in excess of disappearance. With the emergency feed grain program in effect, they estimated that the stocks of corn will decline more than 200 million bushels—a net difference of about 550 million bushels. Further, without the 1961 program sorghum production would have been 175 million bushels larger. Excess production of both corn and sorghums, if the 1961 program had not been in effect, would have passed into Government hands, increasing rather than decreasing CCC stocks and taxpayer expenditures.

Detailed results of the 1961 feed grain program are provided in tables 3, 4, and 5.

TABLE 1.—*Feed grains: Total supply and disappearance, United States, marketing years 1950–61*¹

[Million tons]

Year	Supply ²					Utilization ²				Carry-over at close of year	
	Carryover			Production	Imports ⁴	Total	Live-stock feed	Food, industry, seed	Exports ⁴		Total
	Government ³	Other	Total								
1950	20.9	9.6	30.5	113.1	0.8	144.4	95.7	13.7	6.4	115.8	28.6
1951	14.8	13.8	28.6	104.8	1.3	134.7	97.7	12.1	4.8	114.6	20.1
1952	9.0	11.1	20.1	111.0	1.7	132.8	88.8	11.7	5.3	105.8	27.0
1953	16.6	10.4	27.0	108.3	2.2	137.5	89.9	12.1	3.8	105.8	31.7
1954	22.6	9.1	31.7	114.1	.9	146.7	89.7	12.4	5.5	107.6	39.1
1955	29.7	9.4	39.1	120.8	.8	160.7	96.8	12.5	8.1	117.4	43.3
1956	34.7	8.6	43.3	119.3	.9	163.5	94.3	12.6	7.7	114.6	48.9
1957	40.8	8.1	48.9	132.4	1.0	182.3	100.9	12.5	9.8	123.2	59.1
1958	49.2	9.9	59.1	144.1	.4	203.6	110.4	13.0	12.5	135.9	67.7
1959	57.7	10.0	67.7	149.6	.5	217.8	117.2	13.0	12.9	143.1	74.7
1960	65.7	9.0	74.7	155.5	.4	230.6	120.9	13.0	12.0	145.6	84.7
1961 ⁵	75.0	9.7	84.7	140.6	.5	225.5	121.8	13.0	13.3	148.1	77.4
1962	67.4	10.0	77.4								

¹ Revised 1955–59 on basis of 1959 Census of Agriculture. Includes corn for grain only.

² October–September year for corn and sorghum grain, July–June year for oats and barley.

³ Under loan or owned by CCC. Includes an allowance for purchase agreement deliveries of corn after Oct. 1 and oats and barley after July 1.

⁴ Imports and exports include grain equivalent of products.

⁵ Preliminary.

Source: U.S. Department of Agriculture, April 1962.

TABLE 2.—*Feed grains: Supplies and utilization, United States, annual, 1950-62*

[Million bushels]

Marketing year beginning ¹	Supply				Utilization				
	Carry- over	Produc- tion	Im- ports	Total	Live- stock feed	Food and indus- trial use	Seed	Ex- ports ²	Total
CORN									
1950.....	844	2,764	1	3,609	2,482	268	12	107	2,869
1951.....	740	2,629	1	3,370	2,555	240	12	76	2,883
1952.....	487	2,981	1	3,469	2,312	236	12	140	2,700
1953.....	769	2,882	1	3,652	2,387	236	13	96	2,732
1954.....	920	2,708	1	3,629	2,242	248	12	92	2,594
1955.....	1,035	2,873	1	3,909	2,366	258	12	108	2,744
1956.....	1,165	3,075	1	4,241	2,377	268	11	165	2,821
1957.....	1,420	3,045	2	4,467	2,534	269	11	183	2,997
1958.....	1,470	3,357	1	4,827	2,781	289	13	214	3,297
1959.....	1,530	3,825	1	5,356	3,056	289	12	212	3,569
1960.....	1,787	3,908	1	5,696	3,112	290	10	276	3,688
1961 ³	2,008	3,624	1	5,633	3,200	298	10	325	3,833
1962 ⁴	1,800								
OATS									
1950.....	208	1,369	30	1,607	1,180	37	101	3	1,321
1951.....	286	1,278	62	1,626	1,206	36	105	2	1,349
1952.....	277	1,217	69	1,563	1,169	36	108	1	1,314
1953.....	249	1,153	80	1,482	1,101	36	118	(⁵)	1,255
1954.....	227	1,410	20	1,657	1,185	37	119	13	1,354
1955.....	303	1,496	3	1,802	1,280	38	111	26	1,455
1956.....	347	1,151	17	1,515	1,106	39	105	25	1,275
1957.....	240	1,290	25	1,555	1,069	40	95	20	1,230
1958.....	325	1,401	3	1,729	1,202	41	88	30	1,361
1959.....	368	1,052	2	1,422	991	42	79	43	1,155
1960.....	267	1,155	1	1,423	948	42	81	27	1,098
1961 ³	325	1,013	2	1,340	931	42	80	12	1,065
1962 ⁴	275								
BARLEY									
1950.....	80	304	14	397	145	101	18	40	304
1951.....	94	257	13	364	151	98	15	31	290
1952.....	73	228	25	326	134	88	16	37	275
1953.....	51	247	38	336	131	91	24	19	265
1954.....	71	379	24	474	186	88	26	43	343
1955.....	131	403	28	562	228	90	24	103	445
1956.....	117	377	27	521	217	89	26	62	394
1957.....	127	434	24	594	221	87	26	92	426
1958.....	168	477	14	659	231	90	26	117	464
1959.....	195	422	18	635	233	92	25	118	468
1960.....	167	431	15	613	259	90	25	86	460
1961 ³	153	393	20	566	254	90	22	60	426
1962 ⁴	140								

See footnotes at end of table, p. 7.

TABLE 2.—*Feed grains: Supplies and utilization, United States, annual, 1950-62—Continued*

[Million bushels]

Marketing year beginning ¹	Supply				Utilization				
	Carry-over	Production	Imports	Total	Live-stock feed	Food and industrial use	Seed	Exports ²	Total
SORGHUM GRAIN									
1950.....	60	233	(³)	293	141	37	2	75	255
1951.....	38	163	(³)	201	115	12	2	62	191
1952.....	10	91	(³)	101	77	4	2	10	93
1953.....	7	116	(³)	123	79	5	2	15	101
1954.....	22	236	(³)	258	124	8	3	48	183
1955.....	75	243	(³)	318	160	8	3	55	237
1956.....	81	205	(³)	286	173	9	3	22	207
1957.....	79	568	(³)	647	269	9	3	57	338
1958.....	309	581	(³)	890	268	9	3	100	380
1959.....	510	555	(³)	1,065	370	12	2	100	484
1960.....	581	620	(³)	1,201	416	11	2	70	499
1961 ⁴	702	483	(³)	1,185	403	10	2	70	485
1962 ⁵	700								

¹ Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.² Corn, sorghum grain and oats, grain only; barley includes grain equivalent of malt.³ Preliminary.⁴ Based on indications in March 1962.⁵ Less than 500,000 bushels.⁶ Not reported separately.

Source: U.S. Department of Agriculture, April 1962.

TABLE 3.—*Supply and utilization data and value of production under the 1961 feed grain program as compared to the previous year*

[Millions, except prices and yields]

	Corn		Sorghum grains	
	Marketing year 1960-61	Marketing year 1961-62	Marketing year 1960-61	Marketing year 1961-62
Acreage planted.....	81.7	67.0	19.6	14.4
Acreage harvested.....	71.6	58.7	15.6	11.0
Yield per harvested acre..... bushels.....	54.5	61.8	39.8	43.8
Carry-in (Oct. 1).....	1,787	2,008	581	702
Production.....	3,908	3,624	621	483
Imports.....	1	1		
Total.....	5,696	5,633	1,201	1,185
Domestic utilization.....	3,400	3,493	429	415
Exports.....	288	340	70	70
Total disappearance.....	3,688	3,833	499	485
Carry-out (Sept. 30).....	2,008	1,800	702	700
Support prices:				
Amount per bushel.....	\$1.06	\$1.20	\$0.85	\$1.08
Percent of parity.....	65.0	74.1	60.8	77.8
Average market price per bushel.....	\$0.990	\$1.05	\$0.862	\$0.92
Season average price per bushel.....	\$0.996	\$1.07	\$0.837	\$0.955
Value of production.....	\$3,892	\$3,890	\$515	\$459
Payments for acreage diversion.....		645		137
Total.....	3,892	4,535	515	596

Source: U.S. Department of Agriculture, January 1962.

1961 FEED GRAIN PROGRAM

TABLE 4.—*Acres of corn and grain sorghums diverted for payment and value of payments earned*¹

[Thousands omitted]

State	Corn		Grain sorghums		Total corn and grain sorghums	
	Final acres diverted	Value of payments	Final acres diverted	Value of payments	Final acres diverted	Value of payments
	(1)	(2)	(3)	(4)	(5)	(6)
	<i>Acres</i>		<i>Acres</i>		<i>Acres</i>	
Maine.....	0.3	\$14.4			0.3	\$14.4
New Hampshire.....						
Vermont.....	.9	38.0			.9	38.0
Massachusetts.....	.2	7.3			.2	7.3
Rhode Island.....	(2)	.9			(2)	.9
Connecticut.....	1.0	48.0			1.0	48.0
New York.....	172.5	6,644.3			172.5	6,644.3
New Jersey.....	37.4	1,898.9			37.4	1,898.9
Pennsylvania.....	158.8	6,774.6			158.8	6,774.6
Ohio.....	995.2	42,653.3			995.2	42,653.3
Indiana.....	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9
Illinois.....	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4
Michigan.....	531.5	18,293.5	(2)	.7	531.5	18,294.2
Wisconsin.....	549.1	23,381.1	(2)	.2	549.1	23,381.3
Minnesota.....	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1
Iowa.....	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8
Missouri.....	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8
North Dakota.....	406.4	5,515.5	.2	2.2	406.6	5,517.7
South Dakota.....	818.5	14,484.2	69.3	1,237.3	887.8	15,721.5
Nebraska.....	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9
Kansas.....	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9
Delaware.....	36.9	1,512.7	(2)	.2	36.9	1,512.9
Maryland.....	77.4	3,129.0	(2)	2.2	77.4	3,131.2
Virginia.....	125.5	4,333.3	1.8	43.0	127.3	4,376.3
West Virginia.....	8.9	406.6	(2)	.3	8.9	406.9
North Carolina.....	492.9	15,661.6	26.3	578.5	519.2	16,240.1
South Carolina.....	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Georgia.....	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Florida.....	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Kentucky.....	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Tennessee.....	432.2	11,517.2	16.4	352.6	448.6	11,869.8
Alabama.....	407.2	7,547.6	6.5	100.3	413.7	7,647.9
Mississippi.....	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Arkansas.....	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Louisiana.....	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Oklahoma.....	59.4	1,528.4	445.5	7,357.0	504.9	8,885.4
Texas.....	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Montana.....	39.9	591.6			39.9	591.6
Idaho.....	6.7	334.4	(2)	2.2	6.7	336.6
Wyoming.....	11.8	369.0	.5	9.1	12.3	378.1
Colorado.....	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
New Mexico.....	5.4	205.5	100.7	2,424.7	106.1	2,630.2
Arizona.....	1.7	61.6	54.7	2,128.8	56.4	2,190.4
Utah.....	7.2	251.3	.2	5.0	7.4	256.3
Nevada.....	.8	24.0	(2)	.8	.8	24.8
Washington.....	16.8	965.6	2.3	83.5	19.1	1,049.1
Oregon.....	15.2	819.8	.1	3.1	15.3	822.9
California.....	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
United States.....	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

¹ Based on data reported to Grain Division by ASCS State offices.² Less than 50 acres.

Source: U.S. Department of Agriculture, January 1962.

1961 FEED GRAIN PROGRAM

TABLE 5.—*Extent of farms participating in the program*¹

State	Indicated total number of corn and/or grain sor- ghum farms	Number of farms signed to participate	Number of farms par- ticipating in program	Percent of total number of farms participating
	(1)	(2)	(3)	(4)
Maine.....	946	44	39	4.1
New Hampshire.....	970			
Vermont.....	3,880	90	85	2.2
Massachusetts.....	1,911	13	12	.6
Rhode Island.....	291	1	1	.3
Connecticut.....	2,325	92	90	3.9
New York.....	41,206	16,168	15,036	36.5
New Jersey.....	6,447	1,941	1,922	29.8
Pennsylvania.....	81,526	14,928	14,565	17.9
Ohio.....	157,039	60,990	59,817	38.1
Indiana.....	156,730	66,579	65,683	41.9
Illinois.....	208,445	104,968	100,856	48.4
Michigan.....	96,664	34,400	33,806	35.0
Wisconsin.....	120,565	35,555	32,669	27.1
Minnesota.....	126,995	64,231	63,134	49.7
Iowa.....	191,603	108,730	106,748	55.7
Missouri.....	148,999	82,352	81,253	54.5
North Dakota.....	27,474	20,160	19,853	72.3
South Dakota.....	61,376	30,164	29,668	48.3
Nebraska.....	106,827	76,370	75,473	70.6
Kansas.....	121,606	84,251	82,936	68.2
Delaware.....	5,077	1,807	1,783	35.1
Maryland.....	21,714	4,151	4,107	18.9
Virginia.....	66,471	15,257	14,756	22.2
West Virginia.....	13,899	897	880	6.3
North Carolina.....	169,422	53,700	52,899	31.2
South Carolina.....	67,279	18,066	17,554	26.1
Georgia.....	83,032	14,143	13,727	16.5
Florida.....	16,177	4,615	4,529	28.0
Kentucky.....	114,963	40,200	39,705	34.5
Tennessee.....	106,576	36,255	25,675	33.5
Alabama.....	108,263	29,816	29,424	27.2
Mississippi.....	85,573	18,197	17,763	20.8
Arkansas.....	33,340	5,603	5,459	16.4
Louisiana.....	33,045	5,341	5,213	15.8
Oklahoma.....	50,838	22,912	22,212	43.7
Texas.....	168,357	80,384	77,334	45.9
Montana.....	2,966	1,674	1,654	55.8
Idaho.....	6,486	501	483	7.4
Wyoming.....	2,150	527	516	24.0
Colorado.....	17,758	8,057	7,880	44.4
New Mexico.....	5,495	2,363	2,320	42.2
Arizona.....	2,281	1,225	1,196	52.4
Utah.....	3,731	706	690	18.5
Nevada.....	164	45	44	26.8
Washington.....	3,289	1,132	1,097	33.4
Oregon.....	2,806	1,123	1,014	39.3
California.....	5,969	2,824	2,738	45.9
United States.....	2,860,946	1,173,548	1,146,388	40.1

¹ Based on data reported to Grain Division by ASCS State offices.

Source: U.S. Department of Agriculture, January 1962.

TABLE 6.—*Corn and grain sorghums: Progress report on signup under 1962 feed grain program through Apr. 12, 1962*

[Acres and dollars amounts in thousands]

State	Estimated total number corn and/or sorghum farms (1)	Number of farms signed up (2)	Percent of total farms signed up (3)	Corn, intended acres on farms signed up (4)	Grain sor- ghums in- tended di- verted acres on farms signed up (5)	Total value of permissible advance payments		Value of sight drafts issued to date (8)	Value of certificates issued for feed grain (9)
						Corn (6)	Grain sorghums (7)		
Connecticut.....	1,887	154	8.2	2.0	---	\$42.8	---	\$10.3	---
Delaware.....	4,993	1,646	33.0	36.6	(1)	716.5	\$0.4	570.3	---
Maine.....	88	56	63.6	.6	---	11.3	---	2.9	---
Maryland.....	21,179	3,998	18.9	76.6	0.3	1,411.3	3.2	694.9	---
Massachusetts.....	1,000	19	1.9	.3	---	5.8	---	1.5	---
New Hampshire.....	970	---	---	---	---	---	---	---	---
New Jersey.....	5,730	2,365	41.3	46.9	.5	1,108.7	7.7	427.2	---
New York.....	41,199	16,874	41.0	206.7	1.2	3,757.5	15.1	2,731.6	\$1.5
Pennsylvania.....	85,838	18,341	21.4	209.5	1.0	4,190.4	13.0	3,044.7	.8
Rhode Island.....	290	2	.7	(1)	---	.7	---	---	---
Vermont.....	3,888	96	2.5	1.3	---	25.8	---	9.1	---
Virginia.....	69,624	19,989	28.7	182.3	2.6	2,872.8	27.2	2,213.2	---
West Virginia.....	7,868	1,652	21.0	16.9	(1)	365.3	.2	261.2	---
Northeast.....	244,554	65,192	26.7	779.7	5.6	14,508.9	66.8	9,966.9	2.3
Alabama.....	107,815	37,854	35.1	587.3	8.4	5,066.6	58.9	4,125.4	---
Arkansas.....	27,558	6,720	24.4	96.7	15.1	1,156.8	154.7	1,077.0	---
Florida.....	15,242	6,054	39.7	163.9	1.6	1,518.9	17.8	1,462.9	---
Georgia.....	72,984	25,182	34.5	611.5	13.8	5,956.3	121.5	4,798.9	.3
Louisiana.....	30,968	8,480	27.4	120.2	4.0	1,470.3	44.7	1,334.9	---
Mississippi.....	83,861	25,950	30.9	352.0	16.7	3,563.3	189.8	3,358.5	---
North Carolina.....	148,134	63,421	42.8	653.1	29.6	9,694.8	303.3	9,523.4	---
South Carolina.....	60,555	23,643	39.0	283.5	9.0	2,792.5	63.8	2,365.9	---
Tennessee.....	108,752	44,250	40.7	567.2	20.5	7,075.1	200.9	6,032.9	7.9
Southeast.....	655,969	341,554	36.8	3485.4	118.7	38,292.6	1,154.5	34,079.8	8.2
Illinois.....	207,580	95,339	45.9	2,313.8	8.1	48,238.3	113.2	32,515.4	137.1
Indiana.....	156,090	64,948	41.6	1,397.3	5.8	26,933.2	85.4	20,448.8	196.5
Iowa.....	190,199	110,983	58.4	3,305.8	23.9	61,402.6	341.6	42,280.2	9,003.8
Kentucky ¹	96,368	42,079	43.7	594.2	8.1	8,755.2	104.8	7,206.9	---
Michigan.....	94,208	38,559	40.9	657.6	(1)	11,013.0	.5	6,892.0	25.8
Missouri.....	141,876	81,185	57.2	2,133.2	242.5	30,667.0	2,930.7	23,304.9	3,110.9
Ohio.....	153,363	55,969	36.5	981.2	.2	19,646.8	5.2	12,795.3	256.5

Wisconsin ¹	117,844	34,242	29.1	639.4	-----	12,526.4	.2	9,798.5	304.3
Midwest.....	1,157,528	523,304	45.2	12,022.5	288.6	219,182.5	3,581.6	155,242.0	13,034.9
Arizona.....	2,208	905	41.0	1.8	45.0	29.7	815.7	665.7	1.5
California.....	6,240	2,209	35.4	35.1	59.6	755.8	1,203.7	870.2	-----
Colorado.....	17,497	7,405	42.3	130.3	230.1	1,743.3	1,401.1	1,247.6	-----
Kansas.....	122,401	70,871	57.9	622.2	1,670.6	8,492.1	15,560.6	11,372.4	12.5
Nevada.....	164	7	4.3	1	(1)	1.2	2	-----	-----
New Mexico.....	5,174	2,417	46.7	8.4	116.7	142.5	1,208.1	1,018.0	.3
Oklahoma.....	46,421	20,807	44.8	70.4	452.0	809.1	3,379.5	2,259.2	-----
Texas.....	163,856	82,637	50.4	412.7	2,890.5	3,639.9	31,822.4	25,170.7	-----
Utah.....	3,675	537	14.6	5.7	.2	94.9	2.5	42.2	-----
Southwest.....	367,636	187,795	51.1	1,286.7	5,464.7	15,708.5	55,391.8	42,646.0	14.3
Idaho.....	5,896	815	-----	-----	-----	-----	-----	-----	-----
Minnesota.....	126,931	63,265	13.8	11.0	1	245.5	1.6	177.9	-----
Montana.....	2,914	1,233	42.3	1,751.0	1.2	26,042.8	11.8	21,624.5	481.9
Nebraska.....	105,686	69,266	65.5	33.3	-----	254.2	-----	133.9	3.5
North Dakota.....	27,594	14,053	50.9	1,821.0	612.3	26,100.9	7,776.3	27,325.4	534.3
Oregon.....	2,788	1,037	37.5	363.3	.6	2,344.5	2.4	1,084.8	3.6
South Dakota.....	61,174	24,730	40.4	16.4	1	398.7	1.7	252.3	-----
Texas.....	3,046	1,341	44.0	765.2	57.6	6,701.8	487.3	4,815.8	56.9
Washington.....	2,099	1,492	23.4	24.7	3.0	670.8	50.4	622.5	-----
Wyoming.....	-----	-----	-----	11.6	.6	182.6	5.1	141.0	-----
Northwest.....	338,108	176,232	52.1	4,797.5	675.5	62,941.8	8,336.6	56,178.1	1,080.2
United States.....	2,763,795	1,194,077	43.2	22,321.8	6,553.1	350,634.3	68,531.3	298,112.8	14,139.9

¹ Less than 50.² Represents sign up as Apr. 5, 1962.

Source: Grain Division, ASCS, Department of Agriculture, Apr. 19, 1962.

Table 7.—Barley: Progress report on signup of 1962 feed grain program through Apr. 12, 1962

[Acres and dollar amounts in thousands]

State	Number of farms			Intended diverted acres on farms signed up	Total value of permissible advance payments	Value of sight drafts issued to date	Value of certificates issued for feed grain	Malting barley exemptions requested	
	Estimated total	Signed up	Percent signed up					Number of farms	Total base acres established for such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Connecticut.....									
Delaware.....	975	111	11.4	1.8	\$18.3	\$3.4			
Maine.....									
Maryland.....	7,002	434	6.2	5.8	57.9	27.9			
Massachusetts.....									
New Hampshire.....									
New Jersey.....	1,922	252	13.1	3.6	65.4	16.7			
New York.....	3,239	1,095	33.8	8.0	68.1	49.8	\$0.7		
Pennsylvania.....	22,630	1,214	5.4	9.0	87.2	66.0			
Rhode Island.....									
Vermont.....	72								
Virginia.....	13,285	2,725	20.5	26.0	233.3	125.9			
West Virginia.....	976	47	4.8	.5	4.8				
Northeast.....	50,101	5,878	15.1	54.7	555.0	289.7	.7		
Alabama.....	218	33	15.1	.5	3.7	2.7			
Arkansas.....	845	156	18.5	3.8	31.6	14.6	1.0		
Florida.....	1								
Georgia.....	448	179	40.0	2.8	27.1	17.8	.3		
Louisiana.....	1	1	100.0	(1)	(1)	(1)			
Mississippi.....	96	30	31.2	.8	6.4	3.0			
North Carolina.....	10,554	3,117	29.5	20.9	188.6	167.1	.3		
South Carolina.....	3,027	1,372	45.3	17.0	126.5	80.9			
Tennessee.....	5,313	1,069	20.1	12.7	83.8	54.6			
Southeast.....	20,503	5,957	29.1	58.5	467.7	340.7	1.6		
Illinois ¹	8,216	376	4.6	2.9	21.5	3.9		2	(1)
Indiana.....	7,189	346	4.8	2.6	18.5	9.6			
Iowa ²	1,427	104	7.3	1.0	8.4	4.3	1.3	1	.1
Kentucky.....	7,219	1,072	14.8	13.1	104.4	37.3			

	10,093	1,378	13.7	10.1	80.3	41.4	3	1
Michigan ²	17,712	2,896	16.4	38.3	288.1	133.1		
Missouri	7,321	442	6.0	3.1	25.8	12.8		
Ohio ²	2,502	188	7.5	1.6	14.0	8.6	41	1.1
Wisconsin ²								
Midwest	61,679	6,802	11.0	72.7	521.0	251.0	47	1.3
Arizona	1,646	688	41.8	43.5	706.4	609.4		
California	8,426	3,088	36.6	321.8	3,418.1	2,024.0	239	56.7
Colorado ²	14,980	4,375	29.2	135.2	802.6	100.1	26	1.0
Kansas ²	41,119	12,661	30.8	215.2	1,251.7	272.9		
Nevada	34	34	9.0	215.2	7.5			
New Mexico ²	1,334	409	30.7	10.4	90.4	55.8		
Oklahoma	29,327	10,109	34.5	224.9	1,291.9	219.9		
Texas	14,571	6,093	41.8	143.6	830.7	225.5		
Utah ²	8,564	1,323	15.4	24.9	236.2	116.2		
Southwest	120,356	38,780	32.2	1,120.4	8,635.5	3,623.8	265	57.7
Idaho ²	17,676	2,704	15.3	90.1	610.4	225.0	358	32.7
Minnesota ²	21,605	10,877	50.3	108.2	776.8	544.5	6,857	511.5
Montana ²	18,931	6,196	32.7	170.6	888.9	193.7	4,248	827.7
Nebraska ²	14,503	4,535	31.3	81.3	473.8	169.3		
North Dakota ²	54,001	23,918	44.3	917.6	4,722.6	1,734.4	16,640	1,576.3
Oregon	10,373	3,252	31.4	104.8	949.2	489.0	274	24.3
South Dakota ²	17,301	4,942	28.6	105.7	628.1	346.9	2,454	114.2
Washington ²	8,269	2,483	30.0	109.6	1,129.3	378.3	592	70.6
Wyoming ²	3,587	309	8.6	9.4	55.5	32.0		
Northwest	166,246	59,216	35.6	1,697.3	10,234.6	4,113.1	31,423	3,156.3
United States	418,885	116,633	27.8	3,003.6	20,413.8	8,618.3	31,735	3,215.3

¹ Less than 50.

Source: Grain Division, ASCS, Department of Agriculture, Apr. 19, 1962.

² Spring signup extended through Apr. 16, 1962.

The Agricultural Act of 1961 continued the program for the 1962 crop of corn and grain sorghums and provided for a similar program for the 1962 barley crop.

The acreage signed up for diversion under the 1962 program through April 12, 1962, exceeds that signed up under the 1961 program. Data are given in tables 6 and 7.

The results of the 1962 program, based on the response of farmers to date, indicate that the gains made by the 1961 program can be carried into 1962 and if the weather is average the feed grain carryover and CCC stocks will be reduced by a larger amount than was achieved by the 1961 program.

Despite the success of the 1961 program and anticipated results of the 1962 program, stocks will still be higher than those considered adequate as a reserve.

The committee recommends that the 1962 feed grain program, which includes corn, sorghum, and barley, be continued for the 1963 crop, although barley stocks are not excessive. The program makes it possible to expand acreage of malting barley, if this appears desirable.

The relationship of support prices, acreage, and CCC holdings—1950–62—for corn and grain sorghum is shown in tables 8 and 9.

TABLE 8.—*Relationship of support prices and acreage diversion to production and CCC holdings of corn, 1950–62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (for grain)	CCC holdings at end of marketing year per crop ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inventory	Loans	Total
					<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
1950.....	\$1.47	\$1.52	82.9	-----	2,764.1	402.8	84.7	487.5
1951.....	1.57	1.66	83.3	-----	2,628.9	290.7	15.5	306.2
1952.....	1.60	1.51	82.2	-----	2,980.8	236.0	277.8	513.8
1953.....	1.60	1.48	81.6	-----	2,881.8	353.7	362.7	716.4
1954.....	1.62	1.43	82.2	-----	2,708.9	621.5	236.1	857.6
1955.....	1.58	1.35	80.9	-----	2,873.0	748.5	360.7	1,109.2
1956.....	1.50	1.29	77.8	5.3	3,075.3	873.3	386.6	1,259.9
1957.....	1.40	1.11	73.2	6.1	3,045.4	1,077.1	276.7	1,353.8
1958.....	1.36	1.12	73.4	8.1	3,356.2	1,184.3	216.3	1,400.6
1959.....	1.12	1.04	82.7	3.5	3,824.6	1,312.8	389.4	1,702.2
1960.....	1.06	1.00	81.7	4.6	3,908.1	1,371.0	556.3	1,927.3
1961.....	1.20	² 97	67.0	23.7	3,624.3	1,011.2	765.5	³ 1,776.7
1962 ⁴	1.20	1.02	67.0	21.3	3,540.0	820.0	810.0	⁴ 1,630.0

¹ For corn, data shown are as of Sept. 30 of the calendar year following the year of the crop.

² As of Mar. 15, 1962.

³ Projected on basis of 1963 budget.

⁴ As of June 30, 1963.

TABLE 9.—*Relationship of support prices and acreage diversion to production and CCC holdings of grain sorghums, 1950-62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production	CCC holdings at end of marketing year ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inventory	Loans	Total
					<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
1950-----	\$1.05	\$1.05	16.1	-----	233.5	17.2	1.5	18.7
1951-----	1.22	1.32	15.0	-----	162.9	.5	.6	1.1
1952-----	1.33	1.58	12.3	-----	90.7	.1	2.9	3.0
1953-----	1.36	1.32	14.6	-----	115.7	21.7	12.7	34.4
1954-----	1.28	1.26	20.1	-----	235.6	68.0	8.1	76.1
1955-----	1.00	.98	23.9	-----	242.6	76.2	12.2	88.4
1956-----	1.10	1.15	21.4	-----	204.9	75.1	24.8	99.9
1957-----	1.04	.97	26.9	1.9	567.5	294.8	35.5	330.3
1958-----	1.02	1.00	20.7	2.6	581.0	490.6	24.8	515.4
1959-----	.85	.86	19.5	3.5	555.2	561.6	22.2	583.8
1960-----	.85	.84	19.6	3.9	619.9	673.4	43.3	716.7
1961-----	1.08	² .94	14.4	10.0	482.6	649.0	32.4	³ 681.4
1962 ⁴ -----	1.08	.97	14.4	9.3	450.0	⁴ 645.0	⁴ 24.5	⁴ 699.5

¹ For grain sorghums, data shown are as of Sept. 30 of the calendar year following the year of the crop.² As of Mar. 15, 1962.³ Projected on basis of 1963 budget.⁴ As of June 30, 1963.

THE WHEAT SITUATION

The supply of wheat in continental United States in 1961-62, of 2,655 million bushels, is at a near-record high. This consisted of a carryover of 1,412 million bushels and a production of 1,235 million bushels (a relatively small crop due to drought in the spring wheat area) and estimated imports of 8 million bushels. Total disappearance of wheat in the 1961-62 crop year is estimated at 1,265 million bushels, consisting of 590 million for domestic use and 675 million exported. Exports for the year are at an all-time record.

Even though exports are expected to continue at a high level, the carryover of wheat is far in excess of our needs for reserves to meet possible emergencies.

Total supply and distribution of wheat for the marketing years 1952-61 are given in table 10.

The Department of Agriculture reports that as of February 28, 1962, CCC had approximately \$2,608 million invested in 1,345 million bushels of wheat—more than a year's domestic and export requirements. Prices, acreages, and CCC holdings for the period 1950-62 are shown in table 11.

Hard Red Winter wheat is the dominant surplus class at this time, but every class of wheat, except Durum, constitutes a potential surplus since large amounts of each class except Durum have been shipped under special export programs. The utilization and supplies of wheat by classes for recent years are shown in table 12.

The Agricultural Act of 1961 authorized a 1-year temporary emergency wheat program for 1962 which provided for a mandatory reduction of 10 percent in farm allotments. This will reduce the crop by about 5½ million acres. The 1962 temporary wheat program also

provides that producers may retire additional acreage up to a total of 40 percent of their allotment or 15 acres, whichever is higher. This will result in production below utilization and in reduced stocks of wheat, in view of participation indicated in table 13.

Signup under the 1962 wheat program through April 12, 1962, shows 817,846 farms have signed up to divert 14,926,800 acres from wheat production to conserving uses. Final signup figures are expected to be somewhat larger, since the period for signup will run through April 16, in 12 spring wheat States.

Based on this signup and current crop conditions, and recognizing that all farms may not divert the full acreage signed up, the 1962 wheat crop is currently estimated by the Department of Agriculture at about 1,116 million bushels, about 119 million bushels less than the 1961 crop. In this event, carryover on July 1, 1963, should be about 85 million bushels less than the carryover on July 1, 1962. If the program had not been in effect, production would have exceeded disappearance by as much as 110 million bushels, making a net difference of about 195 million bushels.

The Secretary of Agriculture states that such a change in Commodity Credit Corporation stocks will bring about savings in storage and carrying charges over several years of about \$290 million. However, the diversion cost of the temporary program is estimated at about \$325 million.

The 1962 temporary emergency wheat program as outlined above was included in the bill, extended for 2 years in order to provide producers with a choice as between this program and the wheat marketing certificate program.

The proposed wheat marketing certificate program would limit the obligation of the Federal Government in regard to price support for wheat. Under present wheat programs, price support between 75 and 90 percent of parity is provided for all wheat produced on the acreage allotment. If producers chose the marketing certificate program in the referendum provided in the bill, marketing certificates would be issued on about 925 million bushels for the 1963 crop, according to information provided by the Department of Agriculture. Producers would be eligible for price support between 65 and 90 percent of parity only on that amount of wheat.

The Secretary of Agriculture has indicated that the price support for the 1963 crop, if the marketing certificate program were in effect, would be approximately \$2 per bushel. The Department would reduce its wheat carryover by an estimated 175 million bushels in the 1963 marketing year.

Producers would also market a small portion of their production on the 1963 acreage allotment—approximately 50 million bushels—at a price related to the world price of wheat, or about \$1.30 to \$1.40 per bushel, since no certificates would be issued to producers for that part of the national marketing quota. This would make it possible for a modest saving to be made immediately on the cost of the export subsidy program for wheat. Once the excessive wheat stocks held by the Government had been reduced to normal, a substantially larger percentage of wheat for export would be marketed by farmers

without certificates, and therefore could be exported without any substantial net subsidy cost to the Government.

If a majority of farmers choose the temporary emergency program it will be in effect for 2 years only. At the end of this period the present permanent program, which provides for price supports at between 75 and 90 percent of parity and the 55 million minimum national acreage allotment, will again become operative.

If, however, a majority of producers choose the wheat marketing certificate program this then becomes a permanent program.

TABLE 10.—Wheat: Supply and distribution, United States, 1952-60 and 1961 projected

[In millions of bushels]

	Year beginning July									
	1952	1953	1954	1955	1956	1957	1958	1959 ¹	1960 ¹	1961 ^{2,3}
Supply:										
Carryover July 1.....	256.0	605.5	933.5	1,036.2	1,033.4	908.8	881.0	1,295.1	1,314	1,412
Production.....	1,306.4	1,173.1	983.9	937.1	1,005.4	955.7	1,457.4	1,121.1	1,357	1,235
Imports ⁴	21.6	5.5	4.2	9.9	7.8	10.9	7.8	7.4	8	8
Total.....	1,584.0	1,784.1	1,921.6	1,983.2	2,046.6	1,875.4	2,346.2	2,423.6	2,679	2,655
Domestic disappearance:										
Food ⁵	488.4	487.1	485.9	481.6	482.5	486.1	497.1	496.7	496	500
Seed.....	89.1	69.5	64.8	67.7	57.7	63.2	65.1	63.7	64	52
Industry.....	.2	.2	.2	.7	.5	.3	.1	.1		
Feed ⁶	83.0	76.8	60.1	53.5	47.6	41.9	45.5	39.2	45	38
Total.....	660.7	633.6	611.0	603.5	588.3	591.5	607.8	599.7	605	590
Exports ⁷	317.8	217.0	274.4	346.3	549.5	402.9	443.3	509.9	662	675
Total disappearance.....	978.5	850.6	885.4	949.8	1,137.8	994.4	1,051.1	1,109.6	1,267	1,265
Stocks on June 30.....	605.5	933.5	1,036.2	1,033.4	908.8	881.0	1,295.1	1,314.0	1,412	1,390

¹ Preliminary.

² Imports and distribution are partly estimated.

³ Projected.

⁴ Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour; also flour free for export.

⁵ Includes shipments to U.S. territories and wheat for military food use at home and abroad.

⁶ This is the residual figure, after all disappearance is accounted for.

⁷ Exports are of wheat, including flour wholly from U.S. wheat and other wheat products in terms of wheat. Shipments are included in domestic disappearance for food.

Source: U.S. Department of Agriculture, "Wheat Situation," February 1962.

TABLE 11.—*Relationship of support prices and acreage diversion to production and CCC holdings of wheat, 1950-62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushels)	CCC holdings at end of marketing year for crop (bushels) ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and wheat stabilization		Inventory	Loans	Total
1950.....	\$1.99	\$2.00	71.3	-----	1,019.3	196.4	11.2	207.6
1951.....	2.18	2.11	78.5	-----	988.2	143.3	22.3	165.6
1952.....	2.20	2.09	78.6	-----	1,306.4	470.0	44.4	514.4
1953.....	2.21	2.04	78.9	-----	1,173.2	774.6	91.0	865.6
1954.....	2.24	2.12	62.5	-----	983.9	975.9	14.7	990.6
1955.....	2.08	1.99	58.2	-----	937.1	950.7	45.1	995.8
1956.....	2.00	1.97	60.7	5.7	1,005.4	823.9	13.8	837.7
1957.....	2.00	1.93	49.8	13.3	955.7	834.9	37.4	872.3
1958.....	1.82	1.75	56.0	6.1	1,457.4	1,146.6	88.0	1,234.6
1959.....	1.81	1.76	56.8	2.3	1,121.1	1,195.4	91.9	1,287.3
1960.....	1.78	1.75	54.9	3.2	1,357.3	1,242.5	125.6	1,368.1
1961.....	1.79	² 1.90	55.6	3.2	1,234.7	1,207.2	100.0	³ 1,307.2
1962 ³	2.00	2.00	42.8	15.9	1,075.0	1,082.8	80.0	1,162.8

¹ For wheat, data shown are as of June 30 of the calendar year following the year of the crop.² As of Mar. 15, 1962.³ Projections based on the 1963 budget estimates.

TABLE 12.—Wheat: Estimated supply and distribution by classes, United States, 1957-61

(In millions of bushels)

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957-58						
Carryover, July 1, 1957.....	548	10	195	13	42	909
Production.....	429	155	169	40	163	958
Imports ¹			11			11
Supply.....	1,077	165	376	53	205	1,876
Exports, including shipments ²	219	30	38	1	118	406
Domestic disappearance ³	245	129	135	27	53	589
Carryover, June 30, 1958.....	613	5	203	25	34	881
1958-59						
Carryover, July 1, 1958.....	613	6	203	25	34	881
Production.....	836	192	233	22	174	1,457
Imports ¹			8			8
Supply.....	1,449	198	444	47	208	2,346
Exports, including shipments ²	259	43	46	1	98	447
Domestic disappearance ³	251	134	147	27	45	604
Carryover, June 30, 1959.....	939	21	251	19	65	1,295
1959-60						
Carryover, July 1, 1959.....	939	21	251	19	65	1,295
Production.....	620	156	151	20	174	1,121
Imports ¹			7			7
Supply.....	1,559	177	409	39	239	2,423
Exports, including shipments ²	292	40	49	1	130	512
Domestic disappearance ³	261	127	142	24	43	597
Carryover, June 30, 1960.....	1,006	10	218	12	66	1,314
1960-61 ⁴						
Carryover, July 1, 1960.....	1,006	10	218	14	66	1,314
Production.....	794	190	188	34	151	1,357
Imports ¹			8			8
Supply.....	1,800	200	414	48	217	2,679
Exports, including shipments ²	430	55	35	6	138	664
Domestic disappearance ³	261	133	142	26	41	603
Carryover, June 30, 1961.....	1,109	12	237	16	38	1,412
1961-62 ^{4 5}						
Carryover, July 1, 1961.....	1,109	12	237	16	38	1,412
Production.....	755	203	116	19	142	1,235
Imports ¹			8			8
Supply.....	1,864	215	361	35	180	2,655
Exports, including shipments ²	468	49	42	15	104	678
Domestic disappearance ³	253	133	139	18	44	587
Carryover, June 30, 1962.....	1,143	33	180	2	32	1,390

¹ Excludes imports for milling in bond and export as flour.² Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.³ Wheat for food (including military food use at home and abroad), feed, seed, and industry.⁴ Preliminary.⁵ Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations. Estimated stocks on farms and in interior mills, elevators, and warehouses, by kinds, are assumed to be present in about the same proportion as produced; the classes within kinds are established on the basis of the quinquennial wheat-variety surveys. Commercial stocks and CCC inventories are reported by classes. Exports by classes are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour.

Data for 1944-56 in "The Wheat Situation," August 1959, p. 12; data for 1929-43 in "The Wheat Situation," February 1958, p. 10.

TABLE 13.—Wheat: Progress report on signup under 1962 wheat stabilization and special Durum wheat programs through Apr. 12, 1962
[Acres and dollar amounts in thousands]

State	Number of farms			Intended diverted acres on farms signed up	Total value of permissible advance payments	Value of sight drafts issued to date	1962 special Durum wheat program			
	Total eligible ¹	Signed up	Percent signed up				Number of applications filed to date	1960-61 average acres of Durum on such farms	1962 original allotment acres on such farms	Indicated increase in acres of Durum on such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Connecticut.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Delaware.....	1,946	459	23.6	4.1	\$57.7	\$15.8	(2)	(2)	(2)	(2)
Maine.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Maryland.....	15,471	2,249	14.5	17.6	214.8	92.3	(2)	(2)	(2)	(2)
Massachusetts.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Hampshire.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Jersey.....	4,738	1,552	32.8	13.0	202.4	82.4	(2)	(2)	(2)	(2)
New York.....	34,951	21,547	61.6	144.6	2,003.7	1,580.3	(2)	(2)	(2)	(2)
Pennsylvania.....	84,750	13,003	15.3	84.9	1,079.4	791.9	(2)	(2)	(2)	(2)
Rhode Island.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Vermont.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Virginia.....	51,308	23,101	45.0	155.8	1,827.5	1,016.9	(2)	(2)	(2)	(2)
West Virginia.....	6,102	1,080	17.7	5.5	67.0	20.6	(2)	(2)	(2)	(2)
Northeast.....	190,266	62,991	31.6	425.5	5,452.5	3,600.2	(2)	(2)	(2)	(2)
Alabama.....	7,897	4,289	54.3	33.4	374.4	190.0	(2)	(2)	(2)	(2)
Arkansas.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Florida.....	16,563	6,582	39.7	63.5	875.8	500.3	(2)	(2)	(2)	(2)
Georgia.....	19,790	13,227	66.8	88.1	946.3	516.4	(2)	(2)	(2)	(2)
Louisiana.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mississippi.....	3,398	1,759	51.8	22.4	294.2	178.7	(2)	(2)	(2)	(2)
North Carolina.....	85,796	50,772	59.8	315.5	3,618.7	3,102.0	(2)	(2)	(2)	(2)
South Carolina.....	36,507	24,679	67.6	152.6	1,579.8	1,067.1	(2)	(2)	(2)	(2)
Tennessee.....	35,693	14,206	39.8	93.0	968.8	610.7	(2)	(2)	(2)	(2)
Southeast.....	205,644	115,514	56.2	768.5	8,658.0	6,165.2	(2)	(2)	(2)	(2)
Illinois ²	142,855	22,978	16.1	162.4	2,062.0	709.6	(2)	(2)	(2)	(2)
Indiana.....	124,565	22,503	18.1	160.2	2,022.0	1,025.3	(2)	(2)	(2)	(2)
Iowa ³	16,569	3,914	23.6	38.5	471.8	178.9	(2)	(2)	(2)	(2)
Kentucky.....	29,497	8,340	28.3	62.7	746.9	318.4	(2)	(2)	(2)	(2)
Michigan.....	115,614	36,566	31.6	260.5	3,414.3	2,164.5	(2)	(2)	(2)	(2)

Missouri.....	142,005	71,367	50.3	850.6	8,661.4	5,289.0			
Ohio.....	147,776	85,303	23.9	244.6	3,144.6	960.3			
Wisconsin.....	14,905	2,409	15.7	16.3	238.3	129.4			
Midwest.....	733,786	203,380	27.7	1,595.8	20,761.3	10,775.4			
Arizona.....	1,185	512	43.2	8.9	165.5	125.2			
California.....	6,363	2,222	34.9	97.9	1,012.4	573.5			
Colorado.....	21,453	13,747	64.1	843.7	9,554.7	1,016.0	6.9	6.9	2.4
Kansas.....	140,447	106,445	75.8	2,554.1	29,478.9	6,223.7			
Nevada.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Mexico.....	4,662	2,166	46.5	126.5	1,068.0	305.7			
Oklahoma.....	78,355	57,816	73.8	1,653.4	18,189.3	3,243.0			
Texas.....	65,538	42,863	65.4	1,301.9	12,004.8	2,070.7			
Utah.....	12,523	2,871	22.9	48.9	466.1	271.5			
Southwest.....	330,526	228,542	68.2	6,635.3	71,939.7	13,835.3	6.9	6.9	2.4
Idaho.....	30,858	10,980	35.6	243.6	3,543.1	1,548.7			
Minnesota.....	66,121	24,414	36.9	252.6	3,124.6	2,079.9			
Montana.....	24,238	14,492	59.8	938.8	7,847.9	1,705.5	(4)	(4)	(4)
Nebraska.....	78,751	61,736	78.4	752.6	9,354.0	2,631.4			
North Dakota.....	65,426	49,997	76.4	1,876.7	16,119.5	6,230.1			
Oregon.....	16,636	7,695	46.3	192.4	3,113.8	1,721.6			
South Dakota.....	42,592	26,443	62.1	734.7	6,608.9	3,394.9			
Washington.....	16,366	9,963	60.9	468.4	8,021.5	2,940.8			
Wyoming.....	3,819	1,599	41.9	41.9	374.0	194.6			
Northwest.....	344,807	207,319	60.1	5,501.7	58,112.3	22,447.5			
United States.....	1,814,029	817,846	45.1	14,926.8	164,923.8	56,823.6	12,836	1,525.5	424.7
							13,071	1,095.8	427.1

1 Excludes new wheat farms, whole farms in the conservation reserve program, and farms covered by Government restrictive leases.

2 Noncommercial.

3 Spring signup extended through Apr. 16, 1962.

4 Will be submitted at a later date.

Source: Grain Division, ASCS, Department of Agriculture, Apr. 19, 1962.

RURAL ELECTRIFICATION ADMINISTRATION

On the last day of the hearings on S. 2786, a number of witnesses representing investor-owned power companies recommended an amendment to prohibit the Rural Electrification Administration from making loans for generating capacity where an adequate supply of electric energy was available from investor-owned taxpaying sources at publicly regulated rates and conditions of service, and further prohibiting loans for generating capacity from being made except after public notice and an opportunity for hearing had been afforded interested parties. Witnesses supporting this amendment testified to the effect that the REA was making unnecessary loans at 2-percent interest for the construction of unnecessary generating facilities to supply cooperatives who had ready sources of power on fair terms and at rates in some cases lower than could be provided by the new facilities. A witness representing the National Rural Electric Cooperative Association, who had a prepared statement on the provisions of the bill, testified immediately following the witnesses who proposed the amendment and testified extemporaneously in opposition to the amendment, pointing out that the REA had adopted a new criterion providing for loans where the security of the REA borrower was threatened by actions of its power supplier; that the new policy was made necessary in part because the investor-owned power suppliers were requiring the rural cooperatives to accept dual-rate contracts which precluded the cooperatives from serving all of their members in their own service areas; and that since adoption of the new REA criterion five power companies had dropped these restrictive provisions. No further statements were filed on this subject during the period allowed for filing of statements following the close of the hearings, but the National Rural Electric Cooperative Association, together with other witnesses representing electric cooperatives, testified before the House Committee on Agriculture concerning this amendment and the committee has taken notice of their statements and considered them a part of the record on this question.

The original purpose of the Rural Electrification Act of 1936 regarding electrical power as outlined in sections 2 and 4 was to make loans in the several States and Territories of the United States for rural electrification and for financing the construction and operation of generating plants, electric transmission and distribution lines, or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service.

The accomplishments of the Rural Electrification Administration in carrying out the purposes of the act have contributed materially to the well-being and advancement of rural America. Nearly 5 million rural consumers, or approximately 20 million men, women, and children, receive electric service today through the 1,091 local organizations financed by REA in 46 States, Puerto Rico, and the Virgin Islands. REA estimates that 97 percent of the 3.7 million farms reported in the 1959 census are now electrified and that REA-financed electric systems serve slightly more than half of these farms.

The credit record of REA borrowers is commendable. On more than \$4.5 billion in electrification loans, foreclosures have amounted to less than one one-thousandth of 1 percent. Within recent months, REA received the one-billionth dollar in principal repayments in its

electric program. In addition, the electric borrowers have paid into the Treasury more than half a billion dollars in interest. In REA's newer telephone loan program, 768 local telephone companies and cooperatives have already borrowed \$855.7 million to finance modern dial telephone service for nearly 1.7 million rural subscribers.

It is evident that REA borrowers have done a tremendous job in providing power to rural areas in furtherance of the purposes outlined in the act.

However, this has not occurred in the absence of controversy between private power and the REA system, particularly regarding loans by REA for the construction of generating and transmitting facilities in direct competition with private power.

The committee is of the opinion that these controversies could be minimized if not eliminated entirely. Clearly the REA system, under the act, has the authority and the responsibility to provide power to its users at fair and reasonable rates. On the other hand, the committee feels a responsibility that the operation and expansion of private power utilities not be impaired by arbitrary and adverse government action.

The Rural Electrification Act of 1936 was necessary in order to bring power to farmers and rural residents whom the investor-owned power companies were unwilling to serve. In order to bring service to the farmer at the end of the line at a reasonable rate, the cooperative needs not only Government financing at low interest rates, but the right to serve the other more lucrative customers within its area who do not have central station service. The act was intended not only as a direct means of bringing service to rural residents, but also as a lever to encourage the investor-owner utilities to serve all prospective customers within their service areas. REA financing may not be used to extend service to any person who already has service from an investor-owned company. To the extent that investor-owned companies provide service to all who desire it within their area, the need for Government loans is reduced. And to the extent that investor-owned companies make power available to REA borrowers at fair and reasonable rates, and on terms which permit them to serve all eligible customers within their service areas, the need and justification for loans for generating facilities disappears. Correspondingly, to the extent that investor-owned companies will serve REA borrowers only on conditions which are not fully fair and reasonable, or which restrict the REA borrowers to the most unprofitable customers, the need for loans to construct generating facilities is increased. The committee has not recommended inclusion in the bill of the amendment recommended by the investor-owned power companies. As indicated by the above discussion, this is a matter in which the Administrator should be left free to exercise his discretion on the basis of all of the diverse facts in each case. Government loans should not be made unnecessarily. They should not be made to give cooperatives an unfair competitive advantage over investor-owned companies. REA borrowers should restrict themselves to the areas they were intended to serve, and should seek to use available investor-owned power to the maximum extent possible, rather than to supplant it unnecessarily. On the other hand, investor-owned companies should seek to furnish REA borrowers with power on a completely fair and equitable basis without delay or harassment or conditions which will force the

cooperative to turn to the REA for loans for generating facilities needed not because of a lack of facilities, but because of a lack of fairness on one side or the other of the bargaining table.

The REA for its part has a responsibility to see that Government funds are not loaned unnecessarily. In making a loan for generating facilities, it should investigate very carefully the need therefor. Public hearings may not be the way to do this, but interested parties should be notified and their views obtained in a reasonable period of time. The Rural Electrification Administration should approach the consideration of such loans in a manner designed to provide as full public information as possible. Open and aboveboard consideration of loans, bringing together all pertinent facts in an objective manner, would preclude the possibility of charges that such loans were unjustified. Secrecy, on the other hand, might well tend to induce doubt that responsible action was taken. Public knowledge of the reasons for and the justification of loans might well go far in mitigating unjust criticism.

PART II—SECTION-BY-SECTION EXPLANATION

Section 1—Short title.—The first section provides that the act may be cited as the “Food and Agriculture Act of 1962.”

TITLE I—LAND-USE ADJUSTMENT

Section 101—Amendments to the Soil Conservation and Domestic Allotment Act.—Section 101 of the bill makes permanent the authority of the Secretary to operate the agricultural conservation program under the Soil Conservation and Domestic Allotment Act, as amended, and would add a new subsection (e) to section 16 of that act to enable the Secretary to enter into long-term agreements (not to exceed 15 years) with producers under which the Federal Government would make fair and reasonable payments and provide other assistance to such producers in return for the producers changing their cropping systems and land uses in order to conserve and develop soil, water, forest, wildlife, and recreation resources or to devote them to non-agricultural purposes.

As originally enacted in 1936, subsection (a) of section 7 of the Soil Conservation and Domestic Allotment Act set forth the purposes of sections 7 through 17 of the act. Subsections (b) through (g) of that section provided for the accomplishment of these purposes through State plans in which the Secretary would cooperate with the States. In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for a sufficient number of States to enact the necessary legislation to effectuate the specified purposes by State action, the Secretary was empowered to operate a Federal program until December 31, 1937. It has been necessary from time to time to extend the authorization for a Federal program. The most recent legislation extends such authority until December 31, 1962. Enabling legislation has been enacted by approximately one-half of the States, but only one State has ever formally submitted a State plan under section 7 of the act. There has been little or no interest or activity on the part of States during recent years to accomplish the purposes of the act by State action.

Section 101 would repeal all references in the law to State action and make permanent the Secretary's authority to carry on a Federal agricultural conservation program.

Amendment (1) of section 101 of the bill would repeal subsections (b) through (g) of section 7 of the act which provide for the State plans.

Amendment (2) would repeal subsection (a) of section 8 of the act which provides for the operation of a Federal program on a temporary basis.

Amendment (3) would remove from subsection (b) of section 8 of the act a reference to the restrictions in subsection (a) that the Federal program operate on a temporary basis.

Amendment (4) would add a new subsection (e) to section 16 of the Soil Conservation and Domestic Allotment Act. Under paragraph (1) of subsection (e) the Secretary would be empowered to make long-term agreements (not to exceed 15 years) with producers under which the Secretary would make payments, grants of aid, and other assistance in amounts determined to be fair and reasonable to producers for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources or for nonagricultural purposes. These agreements would not be in the nature of leases, but would leave the farmer in full possession and control of the property, subject, of course, to such inspection rights as might be necessary to assure performance of the agreement. For instance, the Secretary might assist farmers to divert their land from field crops to fish farming. The Secretary, through payments under section 16(e), could assist in the construction of ponds and other practices. The farmer would continue in full control of his land and would continue to manage his business as he saw fit. He might also obtain other assistance from the Secretary to aid him in his new operation, such as loans under the Consolidated Farmers Home Administration Act of 1961, if he was otherwise eligible. ✓

Existing provisions of the act and of the annual appropriation acts for the Department restrict the Secretary to a year-to-year agricultural conservation program, do not authorize contracts with farmers binding on them to carry out conservation measures, and contain certain other limitations not considered desirable in the operation of a long-term program. Among these limitations are the allocation of funds among States on the basis of their conservation needs, division of payments among producers, increases in small payments, and maximum payment limitations. In addition existing provisions of law do not authorize conservation of recreation resources, as such, and wildlife resources only as related to soil, water, and forest conservation.

Except for the provisions requiring the use of the service of State and local committees, the Secretary is authorized to formulate programs under section 16(e) without regard to the provisions of sections 7 to 15. This provision does not preclude the Secretary's use of authority in such sections if he determines that such use would facilitate the formulation and administration of the program under section 16(e).

Paragraph (2) of proposed subsection (e) would direct the Secretary to protect the interest of tenants and sharecroppers, including provision for their sharing, on a fair and equitable basis, in payments under subsection (e).

Paragraph (3) of the new subsection would authorize the Secretary to agree to modification of agreements previously entered into as he considered desirable in carrying out the purposes of the subsection or to facilitate practical administration of the program.

Paragraph (4) of the new subsection would authorize the Secretary to issue necessary regulations.

Paragraph (5) provides authority for preservation, for a period not to exceed the period of the agreement and an equal period thereafter, of the cropland, crop acreage, and allotment history as well as for requiring the surrender of such history and allotments.

Paragraph (6) authorizes appropriations to carry out section 16(e) at not to exceed \$10 million annually.

Amendment 5 would permit disbursements under sections 8 and 16(e) of the Soil Conservation and Domestic Allotment Act to be made through the Commodity Credit Corporation, if it had received appropriated funds to cover such disbursements. This would permit the farmer to receive immediate payment by means of draft when his entitlement to payment had been determined, rather than wait for subsequent issuance and delivery of a Government check.

Section 102—Loans to State and local public agencies for land utilization projects.—Section 102 provides for loans to State and local public agencies to assist them in carrying out projects to utilize lands for public recreation and other purposes more useful than those to which the lands would otherwise be devoted.

Subsection (a) amends section 31 of the Bankhead-Jones Farm Tenant Act to expand the purposes of title III of that act to include the more economic use of lands of all kinds, assistance to local public authorities in providing recreation, and protection of fish and wildlife; and to eliminate extremely broad authorities to protect the public health, safety, and welfare. At present title III of the Bankhead-Jones Farm Tenant Act is limited to programs dealing with submarginal lands.

Subsection (b) repeals the existing authority of the Secretary of Agriculture to acquire lands under title III of the Bankhead-Jones Farm Tenant Act.

Subsection (c) amends subsection (e) of section 32 of the Bankhead-Jones Farm Tenant Act to authorize the Secretary of Agriculture to assist State and local public agencies designated by the Governor or the State legislature, through loans, to carry out land utilization plans. This would enable the Secretary of Agriculture to make loans to appropriate State and local public agencies for the purpose of facilitating the shift of land resources out of unsuitable uses or out of the unneeded production of surplus crops into new and better uses. It would also provide an opportunity for rural renewal development by authorizing the Secretary of Agriculture to help develop plans for improvements and to assist in carrying out such plans by means of loans to State and local public agencies. These plans could be developed for severely disadvantaged rural areas where much of the land is not in its best use, resulting in chronic underemployment and poorly developed community facilities. Their objective would be to

create conditions that would make these communities attractive to private investment and individual enterprise. No such loan may be made unless the plans have been submitted to, and not disapproved by, the Governor or the appropriate State agency. Repayment would be required in not more than 30 years, with interest at the average rate paid by the Treasury on obligations of similar maturity.

Loans in excess of \$250,000 would require approval by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

Section 103—Amendments to the Watershed Protection and Flood Prevention Act.—Section 103 provides authority for the Secretary to assist local organizations to include public recreational developments on the basis of demonstrated needs in watershed projects carried out under the provisions of the Watershed Protection and Flood Prevention Act. The rapidly increasing need for public recreational developments has been widely recognized. The report recently made to the Congress by the Outdoor Recreation Resources Review Commission recommends legislation substantially in accord with the provisions of section 103.

Section 103 makes three changes in the existing authority contained in the Watershed Protection and Flood Prevention Act, namely:

1. It adds recreational development as a purpose for cost sharing. This means, for example, that funds appropriated to carry out the purposes of the act could be used to cost share with local organizations in enlarging a reservoir to make it more suitable for recreation. It authorizes the Secretary to bear not to exceed one-half of the cost of land, easements, and rights-of-way for reservoir or other sites or areas to be dedicated to public recreation and of providing minimum basic facilities needed for public health and safety, access to and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. The Secretary is authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards to be established by the Secretary, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to such factors as the availability within the region of existing water-based outdoor recreational developments.

Minimum basic facilities are those necessary for the protection of the area and its features and for the health, safety, and recreation use of the public, including such facilities as water supplies, sanitary facilities, electrical service, boat anchorage and launching sites, swimming beaches, access and circulatory roads, parking areas, public camp and picnic sites, trails, overlook stations, cleared public use water areas, and related administrative facilities.

Local organizations would be required to assume responsibility for operating and maintaining the public recreational facilities. They would have to be agencies that qualify as local organizations under the definition in the Federal act. They could include agencies of the State government such as the fish and wildlife and park agencies. They could also be counties, municipalities, and special purpose districts created by or under the provisions of State legislation. Sportsmen's clubs, service clubs, or social, religious, or political groups would not qualify as local organizations for cost sharing under this amendment.

This amendment would not authorize the Federal Government to acquire title to any land. The language to authorize the Secretary to reimburse the local organization for not to exceed one-half of the cost of the land, easements, and rights-of-way and minimum basic facilities is permissive.

2. It authorizes the Secretary to advance funds to the local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid with interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

3. It changes the criteria for Federal participation for all purposes, other than flood prevention and municipal or industrial water supply, from the principle of "consideration of the direct identifiable benefits" to the principle of "consideration of national needs and assistance authorized for similar purposes under other Federal programs." Public recreation, for example, cannot be related to direct identifiable beneficiaries—it will be provided for the general public. Moreover, cost sharing for this purpose should be reasonably comparable with that provided under other Federal programs.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Section 201.—Amendments to title IV of Public Law 480.—Section 201 would amend title IV of Public Law 480, as amended, which authorizes long-term supply contracts for dollar credits, in the following respects:

Amendment to statement of purpose.—Section 401 of the act would be amended so as to (1) make it clear that the purposes of title IV include stimulating and increasing the sale of surplus agricultural commodities for dollars through long-term supply contracts and the extension of credit for the purchase of such commodities, and (2) reflect in the statement of purposes the addition of the authority of the Secretary to enter into supply agreements with the private trade.

Under the statement of purposes as presently worded, the emphasis is on the use of surplus agricultural commodities to assist the economic development of friendly nations, and agreements with the private trade are not authorized. The agricultural commodities covered by such private trade sales agreements would be consumed within the underdeveloped country to which they are shipped and could not be reexported or transshipped to other countries.

Financial institutions acting in behalf of friendly nations.—Section 402 of the act would be amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.

This will permit the President to enter into sales agreements with government banking institutions of other countries such as central banks or similar institutions and thereby give greater flexibility in negotiating title IV sales agreements.

Sales agreements with private trade.—Section 402 of the act would also be amended so as to authorize the Secretary to enter into transactions with foreign and U.S. private trade under the same terms and conditions applicable to government-to-government sales agreements as currently authorized. The Secretary of Agriculture would require the furnishing of such security as he determines necessary to provide

reasonable assurance of payment of the amount due for commodities sold under such private sales agreements.

Repayment provisions modified.—Section 403 of the act would be amended to remove the requirement that repayments for commodities supplied under title IV be in “approximately equal annual amounts” and to substitute in its place the requirement that repayments be in reasonable annual amounts with authority to defer the date for beginning such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year. This amendment will provide greater flexibility to schedule the dollar repayments and fix the amounts of annual repayments in terms of the individual country’s financial situation and debt structure. The present requirement for equal annual payments, beginning not later than December 31 of the year following the year in which commodities are delivered, has precluded in a number of instances the use of title IV.

Participation by other exporting nations.—Section 405 of the act would be amended so as to make discretionary rather than mandatory the authority under which other exporting nations are permitted to participate in the supply and assistance program authorized by title IV on the same terms and conditions as those applicable to the United States. Such authority would also be placed in the President instead of the Secretary of Agriculture.

The present language of section 405 of the act directs that the Secretary endeavor to reach agreement with other exporting nations for their participation in the supply and assistance program. Experience indicates that a discretionary rather than a mandatory provision is more appropriate in view of the fact that most other friendly supplying nations generally are either not able or are unwilling to participate in long-term supply and credit programs.

Additional provisions of title I made applicable to title IV.—Section 202 would amend section 406 of the act so as to make certain additional provisions of title I of the act applicable to sales under title IV; namely, that in negotiating sales under title IV the President shall take appropriate steps to assure that private trade channels are used to the maximum extent practicable; and shall give special consideration to utilizing the authority and funds provided for developing markets for agricultural commodities.

These provisions are not presently applicable to sales under title IV of the act.

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed Grains

Subtitle A of title III extends the 1962 feed grain program to cover the 1963 crop.

Section 301—Price support on feed grains for 1963.—The provisions of this section are the same as for the 1962 crop. Section 301 of the bill would amend section 105(c) of the Agricultural Act of 1949 to provide price support on 1963 crop corn at such level not less than 65 percent of parity as the Secretary may determine. Price support for corn, grain sorghums, and barley is limited to a quantity not to exceed the normal production as determined for the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage. Section 301 also

provides that the Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the 1963 feed grain program for corn and grain sorghums to the extent prescribed by the Secretary and, except in the case of a producer of malting barley or a producer of barley on a summer-fallow farm, shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. Similar provisions are provided as a condition of eligibility for price support on the 1963 crop of barley with a requirement that the producer shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. It is understood that the extent of participation in each of these programs required as a condition of price support would be 20 percent of the 1959-60 adjusted acreage devoted to corn and grain sorghums or barley, respectively, subject, of course, to the Secretary's authority under section 304 of the bill to limit participation as a result of an emergency created by drought or other disaster or to prevent or alleviate a shortage in supply.

No producer of malting barley, however, shall be required to participate in the 1963 feed grain program for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963 and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. A producer of barley on a farm where summer fallow is the normal practice, who does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 percent of the average acreage devoted on the farm to corn, grain sorghums and barley in 1959 and 1960, would also be exempt from being required to participate in the 1963 program for barley.

In determining the maximum quantity of a commodity eligible for price support, the Secretary, as under the price support program for the 1962 crop, would have authority to determine and adjust yields for the 1959 and 1960 crop acreages in the manner provided in section 302 of the bill. The Secretary would have similar authority with respect to determining acreages for 1959 and 1960 for price support purposes. In addition, the language of the bill permitting the Secretary to prescribe the extent to which producers must participate in the 1963 feed grain program in order to be eligible for price support on corn, grain sorghums, and barley vests him with authority to provide price support to producers who did not knowingly violate the requirements for participation prescribed by the Secretary.

Section 302—Special feed grain program for 1963.—Section 302 of the bill amends section 16 of the Soil Conservation and Domestic Allotment Act to provide for a special feed grain program for 1963 under which payments shall be made to producers who divert acreage in 1963 from the production of corn, grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage devoted in 1959 and 1960 to designated soil conserving

crops or practices, including summer fallow and idle land, by an equal amount. Producers may elect in lieu of payment to devote the diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary.

The provisions for the 1963 feed grain program are the same as those for the 1962 program.

In order to be eligible for payment, a producer (other than a producer of malting barley or a producer of barley on a summer-fallow farm as described in section 301 of the bill) who participates in the 1963 feed grain program for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average 1959-60 acreage devoted on the farm to barley, and a producer who participates in the 1963 feed grain program for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average 1959-60 acreage devoted on the farm to corn and sorghums.

Payments in cash or in kind may be made on diverted acreage equivalent to 20 percent of the average acreage on the farm planted to corn and grain sorghums or barley, in the crop years 1959 and 1960, or up to 20 acres, whichever is greater, on an amount of the commodity not in excess of 50 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 percent of such corn and grain sorghums, or barley acreage, in the crop years 1959 and 1960. Such payments shall be made on an amount of the commodity not in excess of 60 percent of the normal production of the acreage diverted from the commodity based on its adjusted average yield per acre for the 1959 and 1960 crop acreage.

Payments are made at the basic county support rates for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops. The section provides that the Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance.

The bill requires that producers increase their average acreage devoted in 1959 and 1960 to designated soil-conserving crops and practices, including summer fallow and idle land, by a specified amount.

The Secretary would make adjustments in yields for the 1959 and 1960 crop years as he determined necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreage and yield figures shall be used in making determinations, subject to adjustment for abnormal weather conditions, crop rotation practices, and other factors. The authority for the Secretary to determine terms and conditions for the program includes authority to provide for adjusting any payment on account of failure to comply with the terms and conditions for the program includes authority to provide for adjusting any payment on account of failure to comply with the terms and conditions of the program. The terms of the bill

for the 1963 feed grain program, similar to the program authorized for 1962, do not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses.

Section 303—Payments by Commodity Credit Corporation.—This section of the bill authorizes Commodity Credit Corporation to make payments under the 1963 feed grain program in cash or in kind through the issuance of negotiable certificates which shall be redeemed by Commodity Credit Corporation for feed grains. Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of certificates at such time and in such manner as the Secretary determines best effectuates the purposes of the program. This provision is the same as the one contained in the 1962 feed grain program.

Section 304—Emergency created by drought or other disaster.—This section of the bill authorizes the Secretary to place such limits on the extent that producers may participate in the 1963 feed grain program as he determines necessary because of an emergency created by drought or other disaster or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley. This provision is needed to provide the Secretary with authority to take care of any emergency situations which might arise after the enactment of this legislation. Under this section, the Secretary could impose uniform limitations on the participation of all producers if a general feed grain shortage should develop, or a uniform limitation on all producers within a particular area if a drought or other disaster in such area should make such limitation necessary.

Subtitle B—Wheat

First alternate program—Sections 310 through 325.—Sections 310 through 325 and sections 326 through 329 provide for two alternative wheat programs. In the 1963 referendum wheat producers would choose by majority vote between these two alternatives: If producers choose the program set out in sections 310 through 325, sections 326 through 329 would not become applicable; if farmers chose the program set out in sections 326 through 329, sections 310 through 325 would thereupon become inapplicable. Sections 310 through 325 provide for a permanent program of marketing quotas and price supports coupled with a wheat marketing certificate program. Sections 326 through 329 provide for a 2-year extension of the 1962 wheat program.

Section 310—Legislative findings.—Section 310 of the bill would amend section 331 of the Agricultural Adjustment Act of 1938, as amended, which contains legislative findings with respect to wheat. The amendments would provide additional findings to show the need for legislation to prevent the use of acreage diverted from wheat production to produce other commodities in surplus supply and would provide a constitutional basis therefor under the commerce clause.

Section 311—National marketing quota.—Section 311 would repeal the present section 332 of the 1938 act dealing with the proclamation of the national acreage allotment of wheat and substitute therefor a section 332 providing that whenever prior to April 15 of any calendar

year the Secretary should determine that the total supply for wheat would, in the absence of a marketing quota program, likely be excessive, he would proclaim a national marketing quota of wheat for the marketing year beginning in the next calendar year and may, if necessary to effectuate the policy of the act, proclaim a national marketing quota for either the following marketing year or the following 2 marketing years. If a national marketing quota should be proclaimed the Secretary would, during the period of January 1–April 15 of the calendar year preceding the year in which the marketing year begins, proclaim the amount of the national marketing quota which would be the amount of wheat which the Secretary estimated (1) would be utilized for human consumption in the United States as food, food products, and beverages; (2) would be used in the United States as seed; (3) would be exported as wheat or wheat products; and (4) the average amount used as livestock (including poultry) feed in the 1959–60 and 1960–61 marketing years; less (1) estimated imports and (2) if Commodity Credit Corporation wheat stocks should be determined by the Secretary to be excessive, the amount of wheat determined to be a desirable reduction in such stocks. The bill provides for a minimum national marketing quota for wheat of 1 billion bushels. If the Secretary should determine that total stocks of wheat in the Nation were insufficient to assure an adequate carryover for the next succeeding marketing year he would be required to increase the national quota sufficiently to assure an adequate carryover. Authority would be given the Secretary, after investigation, to terminate or increase any national marketing quota if necessary to meet a national emergency or material increase in export demand. If an increase is proclaimed, wheat acreage allotments would be increased by a uniform percentage.

Section 312—National acreage allotment.—Section 312 of the bill would revise the present section 333 of the 1938 act to provide for the proclamation by the Secretary of a national acreage allotment of wheat at the same time the national marketing quota was proclaimed. The amount of such allotment would be the number of acres which on the basis of expected yields would, together with the expected production on increases in acreage allotments for small farms and on increased acreages resulting from the small-farm exemption, make available a supply of wheat equal to the national marketing quota.

Under existing provisions of section 333 of the 1938 act the national acreage allotment is the acreage determined by the Secretary on the basis of the national average yield of wheat as will produce an amount of wheat, which, with estimated carryover and imports, would make available a supply of wheat equal to a normal year's domestic consumption and exports plus 30 percent.

Section 313—Increased allotments for kinds of wheat in short supply.—Section 313 of the bill contains five amendments to section 334 of the 1938 act.

Amendment (1) would make permanent the present provisions of law authorizing increased allotments for Durum wheat. The present provisions of law apply only to the 1962, 1963, and 1964 crops.

Amendment (1) would also provide that any farm receiving an increased acreage allotment for the increased production of Durum wheat would not be subject to the land-use provisions of section 339 and the producers on the farm could obtain price support without complying

with such provisions. A similar provision is applicable to the 1962 wheat stabilization program.

Amendment (2) would repeal subsection (g) dealing with preservation of history in cases where the producer is prevented from seeding wheat because of unfavorable weather, and redesignate subsections (h) and (i) as (g) and (h), respectively. Subsection (g) under existing provisions of the act has been superseded by the broader provisions of section 377 of the act.

Amendment (3) would amend (new) subsection (h) to exempt farms in Tulalake area of California which receive increased acreage allotments to produce Durum wheat under that subsection from the land-use provisions of section 339 of the act.

Amendment (4) would also amend (new) subsection (h). By an amendment in Public Law 87-357, a sentence was added to the effect that any law providing for a general reduction in farm allotments or for an acreage diversion program for the 1962 or 1963 crop of wheat would not be applicable to any increased allotment under this subsection unless such law was expressly made applicable to such farms. In view of amendment (3) above, the words "or 1963" are no longer needed and are deleted by this amendment (4).

Amendment¹(5) adds a new provision to the act which would authorize the Secretary to increase allotments for any kind of wheat which he determines to be in short supply. An increased allotment would not be authorized if the producer planted any wheat on the farm other than the kind in short supply. A farm receiving an increased acreage allotment for the production of wheat in short supply would not be subject to the land-use provisions of section 339 and the producers on the farm could obtain price support without complying with such provisions.

Section 314—Commercial area.—Section 314 of the bill would add a new section 334a to the 1938 act to provide that the Secretary could, in order to promote effective administration of the 1938 act and the Agricultural Act of 1949, designate any State having an acreage allotment for any crop of 25,000 acres or less as being outside the commercial area for such crop. Farm acreage allotments and marketing quotas would not be applicable in the noncommercial area.

The new section is a rewritten version of (but substantially identical with) section 335(e) of the 1938 act.

Section 315—Small farm exemption.—Section 315 would amend section 335 of the 1938 act by repealing the present provisions of the section dealing with national and farm marketing quotas and certain exemptions therefrom (some of which are obsolete) and substituting in lieu of the present provisions a new section 335 on the exemption of small farms from marketing quotas. The new section would provide that no marketing quota would apply to any farm with a farm acreage allotment of less than 15 acres if the wheat acreage did not exceed the small-farm base unless the operator should elect in writing to be subject to the farm marketing quota. The small-farm base acreage would be the smaller of (A) the average of the highest 3 years during the 5-year period 1957-61, or such later 5-year period determined by the Secretary, with certain adjustments, or (B) 15 acres. The acreage allotment for any farm would be the larger of (1) the small-farm base acreage for the farm reduced by the same percentage by which the national acreage allotment is reduced below 55 million

acres or (2) the acreage allotment determined without regard to the provisions of (1). If no election to be subject to the farm marketing quota should be made, (1) the farm acreage allotment for purposes of computing excess acreage and penalty shall be deemed to be the larger of the acreage allotment or the small-farm base acreage, (2) the land-use provision of section 339 of the act would be inapplicable to the farm, (3) the crop of wheat would be ineligible for price support, and (4) no wheat marketing certificates under section 379c would be issued for the farm.

Under existing law (par. (7) of Public Law 74, 77th Cong.) the exemption from quotas is 15 acres. This was reduced to 13.5 acres generally and to a smaller acreage in certain cases for the purposes of the 1962 program by the Agricultural Act of 1961.

Section 315 repeals section 335(f) of the 1938 act, which provides for the so-called feed wheat exemption permitting any producer to harvest up to 30 acres of wheat without penalty, if the entire crop is used on the farm where produced.

Section 316—Referendum.—Section 316 of the bill would rewrite the present provisions of section 336 of the 1938 act on referendum. The section would provide for a referendum of wheat farmers to be held not later than 60 days after publication in the Federal Register of the national marketing quota proclamation to determine if such farmers favor or oppose the quota for the year or years for which proclaimed. All producers on farms having farm acreage allotments would be eligible to vote except those on farms with small farm base acreages for which the owner and operator did not elect to be subject to the program. Results of referendum would be proclaimed within 30 days after date of referendum. A two-thirds favorable vote of the farmers voting would be required for the quota to remain in effect. Under existing law the referendum must be held between the date of the proclamation of the national quota and July 25. Farmers eligible to vote are those who will be subject to the quota, i.e., those who will produce more than 15 acres of wheat, excluding farmers who obtained the feed wheat exemption for the immediately preceding crop.

Section 316 of the bill also provides for submitting to a referendum the question whether farmers favor a 2-year extension of the temporary program in effect for the 1962 crop of wheat, in lieu of the provisions for a permanent program for wheat as provided in sections 310 through 325 of this bill. If a majority of the farmers vote in favor of a 2-year extension of the temporary program in effect for 1962, the provisions for a permanent program in sections 310 through 325 would become inoperative. After the 2-year extension of the present temporary program has expired, the old provisions of law providing for a national minimum acreage allotment of 55 million acres would come back into effect unless new provisions are enacted in the meantime.

Section 317—Repeal of (old) section 337.—Section 317 of the bill would repeal the present (largely obsolete) provisions of section 337 dealing with adjustment and suspension of quotas.

Section 318—Land use.—Section 318 of the bill would add a new section 339 to the 1938 act. Under subsection (a) of the new section, whenever marketing quotas are in effect wheat producers on any farm (except a farm with a new-farm allotment) would be required

to divert from wheat an acreage of cropland on the farm equal to the number of acres by which the acreage allotment for the farm is reduced below what the acreage allotment would have been on the basis of a national acreage allotment of 55 million acres. A penalty at the rate of 65 percent of parity times the farm normal yield of wheat would apply to the producers on the farm jointly and severally, plus 6 percent interest, for each acre of a crop produced on acreage required to be diverted from wheat production unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purposes of the program, or (2) no wheat was produced on the farm and the producers had not filed an agreement or intention to participate in the payment program under subsection (b). Until the penalty has been paid, a lien would be in effect on the crop of wheat and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest.

The Secretary could, to the extent he determined it to be desirable, require the producer to designate the same land each year as the diverted acres.

The Secretary could permit the diverted acreage to be grazed.

Under subsection (b) the Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops of wheat to producers who divert acreage from wheat. Such payment may not exceed the normal production of wheat for the acreage diverted, multiplied by 50 percent of the basic county support rate for the crop. Such payments would be made with respect to the acreage diverted under subsection (a) and the Secretary could permit producers to divert for payment additional acreage equal to 20 percent of the farm wheat acreage allotment. Producers at their election could divert acreage for payment, in addition to that diverted under subsection (a), as would bring the total diverted acreage to 15 acres. Such payment program would require the producer to devote the diverted acreage to conservation uses, and to maintain his normal acreage of conservation uses, summer fallow, and idle land. Appropriated adjustments in the normal acreage of conserving uses are authorized in order to establish a fair and equitable soil-conserving acreage for the farm. Also the producer could not knowingly exceed any farm acreage allotment for any commodity produced on the farm and, except as the Secretary might prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. A farm which is exempt from quotas under the small-farm exemption (does not exceed the small-farm base acreage) would not be deemed to be in excess of the allotment. Producers on new wheat farms would not be entitled to payments. Payments would be made in cash or in wheat and would be divided among producers on the farm on a fair and equitable basis.

Subsection (c) would authorize the Secretary to adjust any payment for failure to comply with terms and conditions of the program regulations. Thus if a violation occurred, a forfeiture of the entire payment would not necessarily be required, but the payment could be adjusted to take into account the nature and extent of the violation.

Subsection (d) would authorize up to 50 percent of any diversion payment to be made to producers in advance of determination of performance.

Subsection (e) would authorize the Secretary to include in the program such terms and conditions as he considered desirable.

Subsection (f) would authorize the Secretary to promulgate program regulations.

Subsection (g) would authorize Commodity Credit Corporation to utilize its capital funds and other assets for making program payments and paying administrative expenses during the period ending June 30, 1963. The subsection would authorize appropriations for paying administrative expenses after that date.

Subsection (h) would authorize the Secretary to accept performance rendered in good faith upon the action or advice of an authorized representative of the Secretary, as meeting the requirements of this section, or of the 1962 wheat diversion payment program. Payment for such performance may be made in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

Section 319—Compliance.—Section 319 of the bill contains nine amendments to Public Law 74, 77th Congress, dealing largely with compliance features of the wheat marketing quota program.

Amendment (1) would rewrite paragraph (1) of said public law to require computation of the farm marketing excess initially as double the farm normal yield of wheat times the excess acres, but such excess would be reduced to the actual yield times the excess acres upon proof by the producer of the actual yield. The guarantee in existing law that the farm marketing excess cannot be more than the actual production of wheat on the farm less the normal production of the farm acreage allotment would no longer apply. Amendment (1) would also make it clear that the acreage of wheat not disposed of by the prescribed disposal date would be considered wheat acreage, with the wheat production thereon appraised for the purposes of determining the farm marketing quota and farm marketing excess; that wheat acreage disposed of prior to the disposal date would not be considered wheat acreage; that the acreage of volunteer wheat not disposed of would be considered wheat acreage.

Amendment (2) would rewrite paragraph (2) of Public Law 74 so as to increase the penalty rate to 65 percent of parity and to add a provision that all wheat producers on a farm shall be jointly and severally liable for the entire amount of penalty. Under existing law the penalty rate is 45 percent of parity, except that it was established at 65 percent of parity for the 1962 crop of wheat by the Agricultural Act of 1961.

Amendment (3) would amend paragraph (3) of Public Law 74 so as to require computation of the farm marketing excess initially upon twice the normal yield.

Amendment (4) would rewrite paragraph (4) to delete any reference therein to corn and to provide that a lien in favor of the United States for unpaid penalty would be in effect on the current crop of wheat on the farm and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest. Since acreage allotments and marketing quotas are no longer applicable to corn, the references to corn are obsolete.

Amendments (5) and (6) would delete any reference to corn from paragraphs (5) and (6) of Public Law 74.

Amendment (7) would repeal paragraph (7) of Public Law 74, and renumber paragraphs (8) through (11) as (7) through (10), respec-

tively. Paragraph (7), providing for the 15-acre exemption, would be superseded by section 315 of the bill.

Amendment (8) would eliminate references to corn in renumbered paragraph (7) of Public Law 74 and add a provision making the buyer who fails to collect any penalty and all producers on the farm jointly and severally liable for such penalty. The current provisions of the act are interpreted as permitting the imposition of joint and several liability for penalty, but this provision of the bill would expressly so provide.

Amendment (9) would repeal paragraph (12) of Public Law 74 guaranteeing a minimum farm marketing quota equal to the normal yield of the farm acreage allotment. It also would add two new paragraphs (11) and (12) to require the payment of 6 percent interest on unpaid penalty and to provide that when wheat marketing quotas are not in effect for any marketing year, all previous wheat quotas would be terminated, effective at the beginning of such marketing year, but that such termination should not abate penalties previously incurred or relieve any buyer from remitting any penalty previously collected. Provisions of existing law do not authorize imposition of interest on unpaid penalties until a judgment has been obtained. There is no express provision in existing law providing for termination of previous quotas whenever quotas are not in effect for any marketing year.

Section 320—Wheat “normal yield.”—Section 320 makes the definition of “normal yield” for rice applicable to wheat which means that the normal yield for wheat will be the average yield for the most recent 5 years, adjusted for abnormal weather conditions, insect pests, plant disease, or other uncontrollable natural cause, and for trends. If on account of such abnormal conditions, the yield for any year of the 5-year period is less than 75 percent of the average, 75 percent of the average would be substituted therefor. If on account of abnormally favorable weather conditions, the yield for any year of the 5-year period is in excess of 125 percent of the average, 125 percent of the average would be substituted therefor.

Under existing law, “normal yield” for wheat is defined as the average yield for the most recent 10 years, adjusted for abnormal weather conditions and for trends, but without the specific guidelines for making the adjustments for abnormal conditions.

Section 321—General adjustment of quotas.—Section 321 of the bill would amend section 371 of the 1938 act providing for general adjustment of quotas and allotments by striking out references therein to wheat and corn. Adjustments of wheat quotas would be provided in section 332(c) of the 1938 act, as amended by section 311 of the bill. There are not allotments or quotas for corn in existing law.

Section 322—Finality of wheat diversion payments.—Section 322 of the bill would amend section 385 of the 1938 act, which provides that the facts constituting the basis for certain Federal payments and loans when made in conformity with applicable regulations of the Secretary may not be reviewed by any other officer or agency of the Government, to include wheat diversion payments under the bill. In the same way the section would be amended to add wheat diversion payments to the list of Federal payments as to which the Secretary would be authorized to determine to whom to make payment in cases where the producer entitled to payment dies, becomes incompetent, or disappears before receiving the payment.

Section 323—Applicability of amendments.—Section 323 of the bill provides that the amendments to the 1938 act and to Public Law 74 made by sections 310 through 322 of the bill would apply to the 1963 and subsequent crops and to the marketing years beginning in 1963 and subsequent years.

Section 324—Wheat marketing allocation program.—Section 324 of the bill adds a new subtitle D to title III of the Agricultural Adjustment Act of 1938, as amended, to provide for a wheat marketing allocation program.

Section 379a—Legislative findings.—Section 379a of the new subtitle contains legislative findings with respect to the need for a wheat marketing allocation program and provides a constitutional basis therefor under the commerce clause.

Section 379b—Wheat marketing allocation.—Section 379b of the new subtitle provides that during any year for which marketing quotas are in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect. Each farm would receive a wheat marketing allocation equal to the number of bushels obtained by multiplying the normal production for the number of acres in the farm acreage allotment by the national allocation percentage. The national allocation percentage would be that percentage of the national marketing quota which represents the amount of wheat used during the year for human consumption in the United States plus that portion of the amount of wheat used for exports on which the Secretary determines that marketing certificates shall be issued in order to achieve, insofar as practicable, the price and income objectives of the program.

Section 379c—Marketing certificates.—Section 379c of the new subtitle provides for the issuance of wheat marketing certificates in the amount of the farm wheat marketing allocation. If the producer planted less than the number of acres necessary to qualify for the full allocation, he would be limited to wheat marketing certificates in the amount of the actual acreage of wheat planted times the normal yield plus the amount of any wheat stored to avoid or postpone a marketing penalty which is released from storage during such year on account of underplanting or underproduction. Wheat marketing certificates would be shared among producers on the farm on the basis of their respective shares in the crop.

No producer would be eligible to receive wheat marketing certificates if a marketing quota penalty is assessed for any commodity on the farm or if the farm has not complied with the land-use requirements for wheat to the extent prescribed by the Secretary, or, except as the Secretary may by regulations prescribe, if he exceeds the farm acreage allotment or any other farm for any commodity in which he has an interest as a producer. A producer would not be deemed to have exceeded a farm acreage allotment for wheat if the excess wheat is delivered to the Secretary or stored to avoid or postpone payment of the penalty.

The Secretary would determine and proclaim for each year the face value per bushel of marketing certificates. The face value per bushel of such certificates would be equal to the amount by which the support price for wheat accompanied by certificates exceeded the support price for noncertificate wheat.

Marketing certificates and transfers thereof would be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary prescribes.

Section 379d—Marketing restrictions.—Section 379d of the new subtitle provides that any person acquiring marketing certificates from the producer to whom such certificates are issued is required to purchase an equal number of bushels of wheat. Any unused certificates held by persons other than the producer to whom the certificates were issued would be purchased by Commodity Credit Corporation. Commodity Credit Corporation would also be authorized to purchase certificates from producers to whom such certificates are issued, without requiring wheat to be delivered, in any case where the Secretary determines that it would constitute an undue hardship to require the producer to transfer the certificates only in connection with the disposition of wheat.

Persons engaged in the processing of wheat into food products prior to marketing the product for human food in the United States would be required to acquire marketing certificates equivalent to the number of bushels of wheat in such product. Any person exporting wheat or food products composed wholly or partly of wheat would be required to acquire marketing certificates equivalent to the number of bushels of wheat exported. Marketing certificates would be valid only to cover sales or exportations made during the year with respect to which they are issued, and after being once used would be void.

The Secretary may, subject to such regulations as he may prescribe, permit a person to market wheat or wheat products without first acquiring certificates to cover such transaction, by posting a bond or other undertaking to secure the purchase of the necessary certificates.

The term "food products" is defined to be any product to be used for human consumption, including beverage.

Section 379e—Assistance in purchase and sale of marketing certificates.—In order to facilitate the purchase and sale of certificates, section 379e of the new subtitle authorizes Commodity Credit Corporation to issue, buy, and sell marketing certificates. The Corporation would be authorized to issue and sell certificates in excess of the quantity of certificates which it purchases. The Corporation would be authorized in the sale of marketing certificates, to charge, in addition to the face value of the certificate, an amount to cover administrative costs and interest.

Section 379f—Conversion factors.—Section 379f of the new subtitle authorizes the Secretary to establish conversion factors to determine the amount of wheat contained in any food product. Such conversion factor would be determined upon the basis of the weight of wheat used in the manufacture of the product.

Section 379g—Authority to facilitate transition.—Section 379g of the new subtitle authorizes the Secretary to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the new program. Such authority would include the authority to exempt all or any part of the wheat or food products in the channels of trade on the effective date of the program from having to acquire certificates or to sell certificates to persons owning such wheat food products at such prices as the Secretary determines.

Section 379h—Reports and records.—Section 379h of the new subtitle requires processors of wheat, warehousemen and exporters of wheat and wheat products, and all persons dealing in wheat marketing

certificates to keep such records and make such reports as the Secretary determines necessary. The Secretary would be authorized to examine such records.

Section 379i—Penalties.—Any person failing to acquire marketing certificates as required by section 379d(b) would be required to forfeit two times the face value of the marketing certificates involved in the violation.

This section makes it a misdemeanor, subject to a fine of not more than \$5,000, for any person except a producer to violate any provision of the act or of any regulation, governing the acquisition, disposition, or handling of marketing certificates, or to fail to make any report or keep any record required by section 379h.

This section provides for forfeiture of marketing certificates, in whole or in part as the Secretary may determine, by a producer who knowingly violates any provision of the act or of any regulation governing the acquisition, disposition, or handling of marketing certificates, or who fails to make any report or keep any record required by section 379h. The determination by the Secretary with respect to the amount of such marketing certificates to be forfeited shall take into consideration the seriousness of such act or default.

This section also makes it a felony, subject to a fine of not more than \$10,000 or imprisonment for not more than 10 years, or both, to alter, forge, or counterfeit any certificate.

Section 379j—Regulations.—Section 379j of the new subtitle authorizes the Secretary to prescribe such regulations as may be necessary to carry out the wheat marketing allocation program.

Section 325—Price support.—Section 325 of the bill amends the Agricultural Act of 1949, as amended, as follows:

Beginning with the 1963 crop, price support for wheat accompanied by marketing certificates would be at such level between 65 and 90 percent of parity as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b) of the act.

Price support for wheat not accompanied by marketing certificates would be at such level as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

Price support would be made available only to cooperators. If marketing quotas are in effect for the crop of wheat, a cooperator would be a producer who (1) does not knowingly exceed the farm acreage allotment for any commodity on the farm or, except as the Secretary may prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (2) complies with the land-use requirements for wheat. If marketing quotas are not in effect for the crop of wheat, a cooperator would be a producer who does not knowingly exceed the farm acreage allotment for wheat. A producer would not be deemed to have exceeded his farm acreage allotment for wheat if the excess wheat is stored, but he would not be eligible for price support on the excess wheat.

If marketing quotas for any crop of wheat are voted down by producers, price support would be at such level, not to exceed 50 percent of parity, as the Secretary determines, after consideration of the factors in section 401(b) of the act.

If a national marketing quota is not proclaimed, the level of price support would be as presently provided in section 101; namely, not less than 75 nor more than 90 percent of parity.

Section 325 of the bill amends section 407 of the Agricultural Act of 1949, as amended, relating to restrictions on sales by Commodity Credit Corporation, to provide that if a wheat marketing allocation program is in effect, the minimum sales price for wheat will be 105 percent of the support price for wheat accompanied by a certificate, plus carrying charges.

Second alternate program—Sections 326 through 329.—(See comment preceding sec. 310.)

Section 326—Reduction of farm wheat allotments.—Sections 326 through 329 provide for a 2-year extension of the 1962 wheat program, would be effective only if a majority of the farmers voting pursuant to section 316 favor a 2-year extension of the program in effect for the 1962 crop of wheat, and, subject to this condition, are applicable to the 1963 and 1964 crops of wheat. Section 326 provides for an across-the-board reduction of 10 percent in acreage allotments for both old and new farms from the acreage allotments which would otherwise be determined on the basis of the minimum national allotment of 55 million acres.

The production which may be expected on the basis of yields currently being obtained from a national wheat acreage allotment of 55 million acres will exceed our requirements for domestic use and exports and add to our already burdensome surplus with the accompanying costs to the Government for price support and storage. The 10-percent reduction called for in this section of the bill will have the effect of cutting down the surplus of wheat. The diversion program provided for elsewhere in the bill will alleviate the financial burden such a reduction would otherwise impose on wheat farmers.

Section 327(a)—Method of determining farm marketing excess.—Section 327(a) contains provisions to be applied with respect to the 1963 and 1964 crops of wheat in lieu of the provisions of item (1) of Public Law 74, 77th Congress, as amended (7 U.S.C. 1340(1)). It provides that the farm marketing excess, which is the basis on which the penalty is assessed for exceeding the farm quota, shall be initially determined as twice the normal yield of the acreage in excess of the allotment, but would be redetermined on the basis of the actual production if the producer establishes the actual production of wheat on the farm. This is the same provision included in the 1962 program. Previously, the excess was determined on the basis of the normal yield, even though they actually produced in excess of the normal yield. This provision in the 1962 program closed a loophole for avoiding the full impact of the penalty on the part of farmers who secure an unusually high actual yield for 1963 and 1964; at the same time it guaranteed to the farmer, if he establishes the actual production, that the farm marketing excess will not be greater than the smaller of (1) the actual yield times the excess acres, or (2) the amount by which the actual production on the farm exceeds the normal production of the farm acreage allotment.

Section 327(b)—Penalty rate.—Section 327(b) sets the penalty rate for the 1963 and 1964 crops at 65 percent of parity.

Section 327(c)—Changes in storage requirements to conform to method of determining farm marketing excess.—Section 327(c) contains pro-

visions to be applied with respect to the 1963 and 1964 crops of wheat in lieu of item (3) of Public Law 74, 77th Congress, in order to conform the storage and delivery provisions of the law to the method of determining the farm marketing excess provided for in section 327(a).

Section 327(d)—Changes in farm exemption from marketing quotas.—Section 327(d) provides that any farm shall not be subject to marketing quotas for any crop other than the 1962, 1963, and 1964 crops on which the acreage planted to wheat does not exceed 15 acres. This is similar to a provision included in the program for 1962. Such provision contained a proviso reducing the exemption for the 1962 crop to the smaller of 13.5 acres or the highest number of acres planted to wheat on the farm for harvest in the years 1959, 1960, or 1961. Under section 327(d), the proviso is also made applicable to the 1963 and 1964 crops. This section has the effect of applying the 10 percent reduction imposed on allotments to the 15-acre exemption and in addition reduces the maximum exemption to the highest number of acres planted for harvest in any of the last 3 years. It also has the effect of preventing any farm on which wheat was not produced in 1959, 1960, or 1961, from taking advantage of the exemption for the 1962, 1963, and 1964 crops.

Approximately two-thirds of the wheat farms in the United States produce 15 acres or less of wheat. With the increased yields now being obtained many of these small farms now produce wheat in commercial quantities and in the aggregate produce a significant part of the supply available for market. It is felt that these small farms should bear a reasonable share in the reduction of acreage for 1963 and 1964.

Section 327(e)—Eligibility to vote in referendum.—Section 327(e) would amend section 336 of the Agricultural Adjustment Act of 1938, as amended, to provide that, notwithstanding any other provision of section 336, (1) if two-thirds or more of the farmers voting in the referendum on marketing quotas held pursuant to section 416 vote in favor of marketing quotas, marketing quotas shall be in effect for the 1963 crop of wheat, and (2) farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1964. Previous to the 1962 program, eligibility to vote was based on whether the farmer would be subject to the quota being voted upon. A determination of voting eligibility required consideration of the farmer's stated intentions as to the wheat acreage to be planted and often led to controversy and the challenging of ballots. To base voting eligibility on the acreage of wheat which has been produced in prior years, which is a matter of record in county ASC offices, facilitates the conduct of the referendum. This also makes voting eligibility on wheat more in line with that presently provided for with respect to the other quota commodities.

Section 335(f) of the Agricultural Adjustment Act of 1938, as amended, precludes any farmer having a feed wheat exemption for any crop of wheat from voting in the referendum on the next subsequent crop of wheat. This provision is not affected by the amendment in section 327(e).

Section 328—Price support for 1963 and 1964 crops of wheat.—Section 328 provides that price support for the 1962, 1963, and 1964 crops of

wheat shall be made as provided in section 101 of the Agricultural Act of 1949, with the following changes:

- (1) Price support would be made available only to cooperators;
- (2) Price support would be made available only in the commercial wheat-producing area; and
- (3) To be eligible for price support producers would be required to participate in the diversion program formulated under section 329 to the extent prescribed by the Secretary.

Section 329(a)—Reduction program.—Section 329(a) affords an opportunity to wheat producers in the commercial wheat-producing area to earn payments for reducing their 1963 and 1964 wheat acreage as was provided in the 1962 program. Producers may divert from the production of wheat an acreage on the farm equal to either (1) 10 percent of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, provided such acreage did not exceed 15 acres, or (2) 10 percent of the farm acreage allotment for the crop of wheat which would be in effect except for the 10 percent reduction thereof as provided in section 334(c)(3) of the Agricultural Act of 1938, as amended. The diverted acreage must be devoted to conservation uses, including summer fallow, approved by the Secretary, except that the diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment would be made with respect to diverted acreage devoted to such commodity. In addition, the total acreage on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted under this program and the acreage diverted under the special program for feed grains, must not be less than the total average acreage of land devoted to conservation uses on the farm in 1959 and 1960. Such total average acreage may be adjusted to give effect to abnormal weather conditions and other factors affecting production, established crop-rotation practices, changes in the constitution of the farm, participation in other Federal farm programs, including the provisions of law relating to release and reapportionment and preservation of history. Finally, if the producer diverts under the first category referred to above, the actual acreage of wheat planted on the farm for harvest in 1963 or 1964 must not exceed 90 percent of the highest acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961. If the producer diverts under the second category referred to above, the farm must be in compliance with the farm wheat acreage allotment. This allotment will have been reduced by 10 percent from what it would otherwise have been under the old law.

Section 329(b)—Payments.—Section 329(b) provides that on compliance with the prescribed conditions, the producers on the farm shall be entitled to payments from Commodity Credit Corporation in cash or wheat equal to 45 percent of the value of the number of bushels equal to the adjusted yield per acre for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame. The rate per bushel would be the basic county support rate per bushel for No. 1 wheat for the county in which the farm is considered as being located for administration of farm marketing quotas for wheat in effect at the time the payment rates for each year's program are established. The Secretary would make adjustments in yields for the 1959 and 1960

crop years as he determined necessary to correct abnormal factors affecting production and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. If the producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreage and yield figures shall be used in making determinations, subject to adjustment for the factors listed above. The Secretary would provide by regulation for the sharing of payments among producers on the farm on a fair and equitable basis and the medium of payment would be determined by the Secretary. If payments are made in wheat the value of the payment would be determined in cash and then converted into bushels of wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment in kind could be marketed without penalty but would not be eligible for price support.

Section 329(c)—Additional reductions and payments.—Section 329(c) provides that in addition to the acreage diverted under section 329(a) producers may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under section 329(a) or such acreage as will bring the total acreage diverted to 10 acres, but subject to the condition that the total acreage diverted under section 329(a) and section 329(c) could not exceed the larger of (1) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, not to exceed 10 acres, or (2) the farm wheat acreage allotment. Payment under section 329(c) would be made in accordance with the terms and conditions of section 329(a), except that the rate of payment would be 60 percent instead of 45 percent and the additional diverted acreage would be taken into consideration in determining compliance. Section 329(c) provides that if the diversion is made under the first category referred to in section 329(a), the actual acreage planted to wheat for harvest on the farm shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total number of acres diverted under the program. Section 329(c) provides that if the diversion is made under the second category referred to in section 329(a), the wheat acreage on the farm shall be reduced by the total amount of acres diverted under the program below the larger of (1) the farm acreage allotment which would be in effect except for the reduction provided by section 326(b) or (2) the highest actual acreage of wheat planted on the farm for harvest in 1959, 1960, or 1961, but not to exceed 15 acres.

Section 329(d)—Double payments precluded.—Section 329(d) provides that acreage diverted from the production of wheat under the program formulated under section 329 must be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that this would not preclude cost-sharing payments under the ACP or the Great Plains program for conservation practices carried out on the diverted acres.

Section 329(e)—Adjustment of payments.—Section 329(e) provides that the Secretary may adjust any payment on account of failure to comply with the terms and conditions of the program. Thus, if a violation occurred, a forfeiture of the entire payment would not necessarily be required, but the payment could be adjusted to take into account the nature and extent of the violation.

Section 329(f)—Advance payments.—Section 329(f) provides that 50 percent of the payment may be made in advance of determination of performance.

Section 329(g)—Additional terms and conditions.—Section 329(g) authorizes the Secretary to include additional terms and conditions in addition to those specifically provided for which he determines are desirable to effect the purposes of section 329.

Section 329(h)—Diverted acreage and release from storage.—Previous to the 1962 program, wheat stored to avoid or postpone a marketing quota penalty could be released from storage in future years on account of underplanting or underproduction. In order to prevent the double benefit of release from storage and payment, section 329(h), similar to a provision in the 1962 program, provides that acreage diverted from the allotment shall not form the basis for release from storage for underplanting and that in determining production for release from storage for underproduction the normal yield of the acres diverted from the allotment shall be taken into account as actual production.

Section 329(i)—Regulations.—Section 329(i) authorizes the Secretary to promulgate needed regulations.

Section 329(j)—CCC funds.—Section 329(j) authorizes Commodity Credit Corporation to utilize its capital funds and other assets for the purpose of making payments authorized under section 329 and to pay administrative expenses necessary in carrying out the provisions of the section during the period ending June 30, 1963. It also contains an authorization for appropriations as may be necessary thereafter to pay administrative expenses.

Sections 329 (k) and (l)—Durum wheat.—Sections 329 (k) and (l) make changes in section 334(e) of the Agricultural Adjustment Act of 1938 (which relates to increased Durum wheat acreage allotments) and section 334(i) of the Agricultural Adjustment Act of 1938 (which relates to acreage allotments in the Tulalake area) to conform those provisions to the 1963-64 wheat program provided for by section 329.

TITLE IV—GENERAL PROVISIONS

Section 401—Farmers' Home Administration loans.—Section 401 amends the Consolidated Farmers Home Administration Act of 1961 by—

- (1) Including recreational uses and facilities along with the conservation, development, and utilization of land and water as purposes for which loans may be made or insured by the Secretary for farm owners and tenants under section 304 of existing law;

- (2) Including shifts in land use and the development of recreational facilities and sewer systems among the purposes for which planning and other financial assistance may be made to local public and quasi-public nonprofit groups among the purposes for which assistance may be given to such organizations under section 306(a) of the act;

- (3) Increasing the aggregate amount of loans to be sold and insured under section 309(f)(1) of the act which the Secretary may make out of the agricultural credit insurance fund and have undisposed of at any one time from \$10 to \$25 million. The purpose of this change is to accommodate the increased demand

of large investors for the assembly of substantial blocks of such loans for purchase from time to time; and

(4) Adding to the purpose for which short-term farm operating loans can be made under section 312 of the act funds for recreational uses and facilities on farms.

Section 402—REA loan account.—Section 402 amends section 3(a) of the Rural Electrification Act of 1936, as amended, which heretofore has constituted the authority for Treasury borrowings by the Administrator as a source of funds for electrification and telephone loans by the Administrator, by substituting therefor the authorization of appropriations for electrification and telephone loans by the Administrator which heretofore has been contained in section 3(b) of the Rural Electrification Act.

Section 402 amends section 3(b) of the Rural Electrification Act of 1936, as amended, which authorizes appropriations for electrification and telephone loans by the Administrator, by substituting therefor the authorization of Treasury borrowings by the Administrator with the approval of the Secretary of Agriculture for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation acts for electrification and telephone loans. The authorization of Treasury borrowings for this purpose is similar to the authorization heretofore contained in section 3(a) of the Rural Electrification Act of 1936. The interest rate on such Treasury borrowings would continue to be as fixed by the Secretary of the Treasury but not in excess of 2 percent. The Secretary of the Treasury would continue to be authorized for the purpose of loans to the Administrator for use, as a public debt transaction, the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended. Redemptions, purchases, and sales of the Administrator's notes by the Secretary of the Treasury would continue to be treated as public debt transactions of the United States.

Section 3(b) of the Rural Electrification Act of 1936 is also amended to establish a "loan account" into which would be merged appropriations for loans made under the authority of subsection (a), funds obtained as a result of Treasury borrowings by the Administrator under subsection (b), and the unexpended balances of any funds available for electrification and telephone loans on the effective date of the amendment. Notes to the Administrator and property held by the Administrator as a result of electrification and telephone loans under the act and all collections in connection therewith are to be assets of the "loan account." The notes of the Administrator in connection with Treasury borrowings under the act and all other liabilities against the appropriations or assets in the "loan account" are liabilities of the "loan account." The "loan account" would be available for interest and principal repayments on Treasury borrowings and for electrification and telephone loans under the act in amounts determined by Congress in appropriations acts. The amounts authorized for loans and advances would remain available until expended. The provisions in the existing section 3(a) relating to the use of borrowers' obligations as security for Treasury borrowings are omitted as unnecessary in view of, and as inconsistent with, the establishment of the "loan account."

The committee wishes to emphasize that the funds in the loan account would not be available to the Administrator for loans with-

out current authorization of the Congress. This would not, of course, prevent unobligated current authorizations from being carried forward as now permitted under section 3(e) of the act.

Section 403—Repeal.—Section 403 repeals section 3(f) of the Rural Electrification Act of 1936, which provided for the covering into the Treasury as miscellaneous receipts of all payments on loans made by the Administrator.

Section 404—Separability.—Section 404 contains the usual severability clause applicable to all provisions of the act and preserving the validity of the remaining provisions should any particular provision be held invalid or unconstitutional.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

This title would establish a new agency in the Department of Agriculture to be known as the Agricultural Research and Industrial Use Administration. The new agency would coordinate and expedite efforts to develop new uses for farm products, new crops to replace those in surplus, and additional means of disposal of surplus commodities in Government inventory.

The new agency would be headed by an Administrator under the general direction and supervision of the Secretary, and may hire up to 10 scientists and technicians at rates higher than allowed by the Classification Act. To accomplish the objective of title V of the bill, the new agency would be empowered to—

- (1) Utilize existing facilities and authorities;
- (2) Make research grants;
- (3) Use foreign currencies accumulated under Public Law 480, 83d Congress;
- (4) Enter into contracts or cooperative arrangements;
- (5) Make incentive payments;
- (6) Make Commodity Credit Corporation stocks available;
- (7) Provide for private operation of Government facilities;
- (8) Assist in the acquisition or expansion of facilities by persons contracting or cooperating in research and development;
- (9) Grant exclusive licenses to use patents under the control of the Department of Agriculture; and
- (10) Build, maintain, and operate manufacturing facilities.

The authorities granted to the new agency would supplement, particularly with respect to putting research findings to industrial use, the broad powers already available to the Department of Agriculture under the Research and Marketing Act of August 14, 1946, and other statutes. Some new authorities contained in title V are those dealing with grants and incentives for farmers and industry. The new agency would be authorized to make contracts providing for the commercialization, market acceptance, and economic feasibility for use of agricultural products in the competitive market. It would operate Government-owned plants or could contract for their operation privately, and it would subsidize the manufacture of an agricultural product in order to introduce it into the market.

Section 501. Declarations and Findings: Sets forth the declarations and findings of the Congress with respect to the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the

Government. These findings point out the capacity of farms in the United States to produce larger quantities of farm products than can now be marketed at adequate prices; the needs for a prosperous agriculture, maintenance of high productive capacity, basic research in agricultural products and their uses, research to develop new uses and products; and the beneficial effect of such research and development on farm income and the farm program. Subsection (f) declares that public and private research agencies and others should be utilized for an all-out attack on development of new and improved uses and new and extended markets and outlets for farm products and byproducts.

Section 502. Creation of New Agency: Establishes a new agency in the Department of Agriculture known as the Agricultural Research and Industrial Use Administration to carry out the program provided by this title. It would be headed by an Administrator, subject to the general direction and supervision of the Secretary of Agriculture, appointed by the President, with the advice and consent of the Senate, for a 6-year term, with compensation at the rate of \$20,000 per annum. The duties of the new agency are to coordinate and expedite efforts to develop through research, new industrial uses, and increased use under existing processes, of agricultural products, as well as to develop new replacement crops and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

Section 503. Scientific and Technical Personnel: Provides for three Deputy Administrators in GS-18 grade, in addition to the positions in that grade now provided for by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)). Grade 18 now provides a salary of \$18,500 a year. Ten positions for especially qualified scientific or professional personnel are authorized at rates not to exceed the \$19,000 limit established by the act of August 1, 1947, as amended and supplemented (5 U.S.C. 1161-1163). Temporary appointment or contract employment of research, technical, or special services without regard to the civil service laws or Classification Act is also authorized in the same manner as provided by section 208 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627).

Section 504. Powers and Duties: Authorizes the new agency to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of its duties, it would have specific authority to (a) use existing authority available to the Secretary of Agriculture and facilities of Federal departments and agencies, land-grant institutions, and experiment stations (maximum use of pilot plants, regional laboratories, and other facilities and equipment controlled by the Federal Government being required): (b) make grants to State agricultural experiment stations, colleges, universities, and other research institutions, and individuals for periods not to exceed 5 years' duration; (c) contract with foreign individuals, organizations, institutions of learning, or private corporations, using foreign currencies accumulated under Public Law 480, 83d Congress, without regard to provisions of law requiring reimbursement from appropriations (thereby adding authority to use such currencies for

general agricultural products research and development to the existing authority to use such currencies for market development); (d) contract or enter into cooperative arrangements in accordance with sections 10(a) and 205 of the Research and Marketing Act (act of August 14, 1946),¹ with respect to commercialization, market acceptance, the economic feasibility of industrial utilization and other matters; (e) extend incentives to farmers or industry to enable the establishment of a new crop or of a new industrial use; (f) direct the Commodity Credit Corporation to deliver any of its stocks of commodities for use in research, pilot-plant operation, trial commercialization, export of manufactured products, or new or byproduct uses, the Corporation to bear the handling and delivery charges and receive the consideration, if any, paid; (g) contract for the private operation of any property or facility transferred from another Government agency; (h) make loans or grants to contractors or cooperators to assist in the acquisition or expansion of facilities and equipment for research or development activities; (i) include in all contracts provision for the disposition of inventions produced thereunder in a manner protecting the public interest and the equities of the contractor and not inconsistent with existing provisions of law affecting the issuance or use of patents; (j) grant exclusive licenses with or without payment of royalty for a period not to exceed 5 years for the use of patents under the control of the Department of Agriculture; (k) make incentive awards to private citizens for suggestions to implement the program; and (l) test production procedures on a commercial basis, and acquire, maintain, and operate manufacturing facilities in order to prove the commercial feasibility of volume production.

Section 505. Transfer of Government Plants: Authorizes the transfer to the new agency without regard to any other provision of law, of any Government-owned facility useful in the program (together with the funds, personnel, and authority related to such facility) subject to the approval of the Director of the Bureau of the Budget.

Section 506. Definition: Defines the terms "agricultural products" and "farm and forest products" as used in this title to have the same meaning as "agricultural products" in section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626). Section 207 of the 1946 act defines the term to include agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and processed or manufactured product thereof.

Section 507. Annual Report: Requires an annual report by the Administrator to Congress, by January 20 in each year.

Section 508. Savings provision: Emphasizes that the authorities contained in title V are in addition to and not in substitution for authorities otherwise available under existing law.

Section 509. Appropriations: Authorizes the appropriation of such sums as may be necessary to carry out the purposes of title V.

¹ These sections provide for contracts of up to 4 years' duration entered into without advertisement (notwithstanding the requirements of 41 U.S.C. 5). Advance payments could be made without regard to 31 U.S.C. 529.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

* * * * * * *

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

AGRICULTURAL CONSERVATION POLICY AND ENUMERATION OF PURPOSES

SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

[GRANTS TO STATES

[(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

[SUBMISSION OF STATE PLANS

[(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is appli-

cable, if such plan is approved by the Secretary as provided in this section.

【REQUIREMENTS OF STATE PLANS

【(d) No such plan shall be approved unless by its terms:

【(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

【(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

【(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

【APPROVAL OF STATE PLANS

【(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

【(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

【(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

【ALLOCATION OF FUNDS FOR STATE PLANS

【(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

[APPORTIONMENT OF FUNDS FOR SUCCEEDING YEAR STATE PLANS]

[(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however,* That any such apportionment of funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approval plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.]

[AUTHORITY OF SECRETARY TO MAKE PAYMENTS OR GRANTS OF AID DIRECTLY TO FARMERS]

SEC. 8. [(a) In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1963, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1962, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1963. During the period prior to January 1, 1963, the Secretary shall carry out the purposes specified in section 7(a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.]

BASIS FOR PAYMENTS AND GRANTS OF AID; LOCAL, COUNTY, AND STATE COMMITTEES; CONSERVATION MATERIALS AND SERVICES

(b) [Subject to the limitations provided in subsection (a) of this section, the] *The* Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 7(a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by (1) their treat-

ment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land; (3) their equitable share, as determined by the Secretary, of the normal national production of any commodity or commodities required for domestic consumption; or (4) their equitable share, as determined by the Secretary, of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7(a); or (5) any combination of the above. Clauses (1) and (2) above shall be construed to cover water conservation and the beneficial use of water on individual farms, including measures to prevent runoff, the building of check dams and ponds, and providing facilities for applying water to the land. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section in the States of the Union, except Alaska, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided. The Secretary shall designate local administrative areas as units for administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall elect a secretary and may utilize the county agricultural extension agent for such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committees hereinbefore specified. The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary—shall, as far as practicable, protect the interests of tenants

and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right of interest therein; shall, in every practicable manner, protect the interests of small producers; and shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services, to agricultural producers under this subsection, the Secretary may make payments in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services, furnished to producers, or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers, of soil-building or soil-conserving practices approved by the Secretary. The price at which purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materials or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in programs under this Act; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of all expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

* * * * *

SEC. 16. * * *

(d) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil

conserving crops or practices including summer fallow and idle land by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(4) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section), who participates in the special agricultural conservation program of 1962 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1962 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1962 on a summer-fallow farm as described in section 105(c)(4) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1962 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1961 crop in effect at the time payment rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1961 crop in effect at the time payments rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines

necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(d). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1962, and to pay such costs as may be incurred in carrying out section 133 of the Agricultural Act of 1961.

(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(e) (1) *For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.*

(2) *The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.*

(3) *The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.*

(4) *The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.*

(5) *Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history*

applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of \$10,000,000 in any calendar year.

(f) The Secretary is authorized to use the services, facilities and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: Provided, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs.

(g) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1963, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: Provided, however, That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(6) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section) who participates in the special agricultural conservation program of 1963 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1961, and a producer who participates in the special agricultural conservation program for 1963 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. The excess, if any, of the acreage devoted to barley in 1963 on a summer-fallow farm as described in section 105(c)(6) of the Agricultural Act of 1949 over the average acreage devoted to barley on such farm in 1959 and 1960 shall be considered as planted to corn and grain sorghums for the purpose of determining extent of participation and payments under the special agricultural conservation program for 1963 for corn and grain sorghums. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the

crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1962 crop in effect at the time payment rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1962 crop in effect at the time payments rates for the special feed grain program for 1963 are established, adjusted to reflect any changes between the national support rates for the 1962 and 1963 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

THE BANKHEAD-JONES FARM TENANT ACT

* * * * *

SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reser-

voirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands [health, safety, and welfare].

SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

[(a) to acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title;]

(b) to protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use;

(c) to sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided, however,* That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary finds that such exchange would not conflict with the purposes of this title, and that the value of the property received in exchange is substantially equal to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies;

(d) with respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable;

(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, *to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted and not disapproved within 45 days by the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of \$250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will pro-*

vide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years;

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of said sections. Any violation of such rules and regulations shall be punished as prescribed in section 104 of Title 18.

THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

* * * * *

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire, or with respect to interests in land to be acquired by condemnation provide assurances satisfactory to the Secretary that they will acquire, without cost to the Federal Government, such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance[;] : *Provided, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further: That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to*

construction of the works of improvement, for credit to such construction funds.

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of [the direct identifiable benefits] *national needs and assistance authorized for similiar purposes under other Federal programs*, of the costs of installing any works of improvement, involving Federal assistance (*excluding engineering costs*), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act;

AGRICULTURE TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * *

TITLE IV—LONG-TERM SUPPLY CONTRACTS

SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use. *It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: Provided, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped.*

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations, *including financial institutions acting in behalf of such nations*, under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made. *In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States*

private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement.

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in [approximately equal] reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, *except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery*, and interest shall be computed from the date of such last delivery.

SEC. 404. In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

SEC. 405. [In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.] *In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States.*

SEC. 406. In carrying out this title, the provisions of sections 101 (b) and (c), 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.

THE AGRICULTURAL ACT OF 1949

* * * * *

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, and wheat, if the supply percentage as of the beginning of the marketing year is:

The level of support shall be not less than the following percentage of the parity price:

Not more than 102-----	90
More than 102 but not more than 104-----	89
More than 104 but not more than 106-----	88
More than 106 but not more than 108-----	87
More than 108 but not more than 110-----	86
More than 110 but not more than 112-----	85
More than 112 but not more than 114-----	84
More than 114 but not more than 116-----	83
More than 116 but not more than 118-----	82
More than 118 but not more than 120-----	81
More than 120 but not more than 122-----	80
More than 122 but not more than 124-----	79
More than 124 but not more than 126-----	78
More than 126 but not more than 128-----	77
More than 128 but not more than 130-----	76
More than 130-----	75

(d) Notwithstanding the foregoing provisions of this section—

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) Repealed.

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

(7) Where a State is designated under section 335(e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to cooperators in such State for such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area.

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level

at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

(c) Notwithstanding any other provision of law—

(1) The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(2) The Secretary shall require, as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate, that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.

(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain, sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided*, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided further*, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1962 for barley

if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1961 which is diverted from the production of wheat under the special 1962 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.

(5) *The level of price support for the 1963 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1963 acreage of corn, grain sorghums, and barley of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.*

(6) *The Secretary shall require as a condition of eligibility for price support on the 1963 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1963 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1963 crop of barley that the producer shall participate in the special agricultural conservation program for 1963 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1963 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1963, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: Provided further, That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1963 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1962 which is diverted from the production of wheat under the special 1963 wheat program, and (ii) does not knowingly devote an acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960.*

* * * * *

NOTE.—The following new section 107 and the following amendment to section 407 would become inapplicable if farmers in the 1963 referendum should favor extension of the 1962 program for 2 years:

SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

(6) if marketing quotas are in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such other farm is exempt from the farm marketing quota for such crop under the small-farm exemption in section 335.

* * * * *

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural

commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a marketing certificate and wheat sold shall be accompanied by a marketing certificate. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855) and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock. Except on a

reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.

NOTE.—Changes in the Agricultural Adjustment Act of 1938 and Public Law 74, 77th Congress, which are indicated in the usual manner by brackets and italic would become inapplicable if producers rejected them in the 1963 wheat referendum. Changes which would be made in those laws in case of such rejection are indicated by notes printed in boldface.

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

SEC. 301. * * *

(b) * * *

(13) [(A) "Normal yield" for any county, in the case of corn or wheat, shall be the average yield per acre of corn or wheat for the county during the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and, in the case of wheat, for trends in yields. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years in the case of wheat, or the 5 years in the case of corn, upon which the existing normal yield per acre for the county was based.]

(D) "Normal yield" for any county, in the case of rice *and wheat*, shall be the average yield per acre of rice *or wheat, as the case may be*, for the county during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, taking into consideration the yields obtained in

surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

(E) "Normal yield" for any farm, in the case of rice *and wheat*, shall be the average yield per acre of rice *or wheat, as the case may be*, for the farm during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available.

(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such five-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

(G) "Normal yield" for any farm, in the case of corn, [wheat,] cotton, or peanuts, shall be the average yield per acre of corn, [wheat,] cotton, or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions [and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields], during the [ten calendar years in the case of wheat, and] five calendar years [in the case of corn, cotton, or peanuts,] immediately preceding the year in which such normal yield is determined. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

* * * * *

PART III—MARKETING QUOTAS—WHEAT

LEGISLATIVE FINDINGS

SEC. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products

in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

[The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and provide for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions.]

Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further

result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.

[PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS]

NATIONAL MARKETING QUOTA

SEC. 332. **[Not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year.]**

(a) *Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.*

(b) *If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: And*

provided further, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

NATIONAL ACREAGE ALLOTMENT

SEC. 333. **[**The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop and imports, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for any year shall be not less than fifty-five million acres.**]** *Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 355, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.*

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on

which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage, seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practice: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(c)(1) The allotment to the county shall be apportioned by the Secretary through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administra-

tive, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

NOTE.—The following provision would become effective if producers rejected the program provided by sections 326 through 329 of the bill:

“(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 and 1964 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum.”

(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

(1) to which a wheat marketing quota is applicable; and

(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotments beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.

(e) If, with respect to any [of the 1962, 1963, and 1964 crops] crop of wheat, the Secretary determines that the acreage allotments of farms

producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demands therefor (but not including export demand involving a subsidy by, or a loss to, the Federal Government), he shall increase the farm marketing quotas and acreage allotments for such crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II), and (2) have produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested. The Secretary shall determine the percentage factor by which the average acreage of durum wheat (class II) produced during the last two-year period for which statistics are available (excluding any increases in durum wheat acreage as a result of increases in wheat acreage allotments authorized by this subsection) must be increased to satisfy such demand. The wheat acreage allotment for any farm established for such crop without regard to this subsection, after reduction in the case of the 1962 crop as required by section 334(c)(2), (hereinafter referred to as the 'original allotment') shall be increased by an acreage computed by multiplying the average acreage of durum wheat (class II) on the farm during such two-year period (excluding any increase in the acreage of durum wheat as a result of an increase in the wheat acreage allotment for the farm authorized by this subsection) by such percentage factor: *Provided*, That such increased allotment shall not exceed the cropland on the farm well suited to wheat. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of an acreage of durum wheat (class II) at least equal to the average acreage of such wheat produced during such two-year period plus the number of acres by which the allotment is increased. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term 'durum wheat' means durum wheat (class II) other than the varieties known as 'Golden Ball' and 'Peliss'. Any farm receiving an increased allotment under this subsection shall not be required as a condition of eligibility for price support, or permitted, to participate in the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961. *The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support.* The Secretary shall give growers and millers of durum wheat and manufacturers of semolina products an opportunity to present their views and recommendations, prior to making any determination hereunder."

NOTE.—If producers in the 1963 wheat referendum should favor extension of the 1962 wheat program for two years, in lieu of the above changes in section 334(e), the references to the 1962 crop, to section

334(c)(2), and to section 124 of the Agricultural Act of 1961 would be changed to include the 1963 and 1964 crops and the pertinent provisions of the 1963 and 1964 program as provided by section 329(k) of the bill.

(f) Any part of any 1955, 1956, or 1957 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this action. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any 1955, 1956, or 1957 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.

[(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1 in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to seed his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm acreage allotments: *Provided*, That if any producer on a farm obtains a reduction in the storage amount of any previous crop of wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), or by reason of producing less than the normal production of the farm wheat acreage allotments pursuant to section 326(b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established.]

[(h)] (g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any

subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

[(i)] (h) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 through 1963 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage. *The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection.* Any provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 [or 1963] crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms.

NOTE.—If producers in the 1963 wheat referendum should favor extension of the 1962 program for two years the above section would remain section 334(i) and the italicized sentence would be changed to read as follows: “The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection.” The word “or 1963” would be stricken in any event.

(i) *If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat (other than*

durum wheat to which subsections (e) and (h) are applicable) are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provision as a condition of eligibility for price support.

COMMERCIAL AREA

SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation.¹

MARKETING QUOTAS

[SEC. 335. (a) Whenever in any calendar year the Secretary determines—

[(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

[(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity.

the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the cal-

¹ Compare with section 335(e) of existing law.

ending year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(b) The amount of the national marketing quota for wheat shall be equal to the normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

[(c) The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

[(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

[(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

[(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 339. Any farmer who stores, in accordance with regulations issued by the Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.

(d) Repealed August 8, 1961.

[(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.²

[(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this Act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1958 or any subsequent year on the following conditions:

[(1) That the total wheat acreage on the farm does not exceed 30 acres: *Provided, however,* That this condition shall not apply to farms operated by and as part of State or county institutions or religious or eleemosynary institutions;

[(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services;

²Compare with proposed section 334a.

[(3) That such entire crop of wheat is used on such farm for seed, human food, or feed for livestock, including poultry, owned by any such producer, or a subsequent owner or operator of the farm; and

[(4) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this Act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm and the estimated production from such excess acreage shall not be included in total supply and normal supply in the determination of future marketing quotas and level of price support. No producer exempted under this section shall be eligible to vote in the referendum under section 336 with respect to the next subsequent crop of wheat.]

SMALL FARM EXEMPTION

SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crops of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957-61, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined on the basis of the five-year period 1957-1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under

this section shall be in addition to National, State, and county acreage allotments.

REFERENDUM

SEC. 336. **【**Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat. Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962, may be conducted not later than August 26, 1961. Notwithstanding any other provision hereof, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1962.**】** *(a) If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.*

(b) In the referendum held pursuant to subsection (a) of this section on the national marketing quota proclaimed for the 1963 crop of wheat, the Secretary shall also submit the question whether farmers favor a two-year extension of the program in effect for the 1962 crop of wheat in lieu of the program for wheat provided by sections 310 through 325 of the Food and Agriculture Act of 1962. If a majority of the farmers voting on such question favor such two-year extension, (1) the provisions of sections 310 through 325 of the Food and Agriculture Act of 1962 shall thereupon become inoperative, (2) the provisions of sections 326 through 329 of such Act shall be in effect for the 1963 and 1964 crops, and (3) the provisions of law in effect without regard to the amendments contained in such Act shall be in effect for the 1965 and subsequent crops of wheat.

NOTE.—The following provision, set out in boldface type, would be added to existing section 336, if producers should reject the program provided by sections 310 through 325 of the bill:

“Notwithstanding any other provision hereof, (1) if the Secretary determines that two-thirds or more of the farmers voting in the referendum on marketing quotas held pursuant to section 336(a) of this act, as amended by section 416 of the Food and Agriculture Act of 1962, approves marketing quotas for the 1963 crop of wheat, marketing quotas shall be in effect for the 1963 crop of wheat, and (2) farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be eligible to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1964.”

[ADJUSTMENT AND SUSPENSION OF QUOTA

[SEC. 337. (a) If the total supply as proclaimed by the Secretary within forty-five days after the beginning of the marketing year is less than that specified in the proclamation by the Secretary under section 335(a), then the national marketing quota specified in the proclamation under such section shall be increased accordingly.

[(b) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than a normal year's domestic consumption and exports plus 30 per centum thereof, the Secretary shall proclaim such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective.]

TRANSFER OF QUOTAS

SEC. 338. Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

LAND USE

SEC. 339. (a) (1) *During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be*

an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually higher percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-

conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: Provided, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. And provided further, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under the small-farm exemption in section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

(e) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(f) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

(g) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

(h) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297-298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

* * * * *

GENERAL ADJUSTMENT OF QUOTAS

SEC. 371. (a) If at any time the Secretary has reason to believe that in the case of [corn, wheat,] cotton, rice, peanuts, or tobacco the operation of farm marketing quotas in effect will cause the amount of such commodity which is free of marketing restrictions to be less than the normal supply for the marketing year for the commodity then current, he shall cause an immediate investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall proclaim the same forthwith. He shall also in such proclamation specify such increase in, or termination of, existing

quotas as he finds, on the basis of such investigation, is necessary to make the amount of such commodity which is free of marketing restrictions equal the normal supply.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, [any national acreage allotment for corn or] any national marketing quota or acreage allotment for [wheat,] cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary [in order to effect the declared policy of this Act or] to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota or allotment shall be increased, or shall terminate, as the case may be.

(c) In case any national marketing quota or acreage allotment for any commodity is increased under this section, each farm marketing quota or acreage allotment for the commodity shall be increased in the same ratio.

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SUBTITLE D—WHEAT MARKETING ALLOCATION

LEGISLATIVE FINDINGS

SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

WHEAT MARKETING ALLOCATION

SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the

price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

MARKETING CERTIFICATES

SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such other farm is exempt from the farm marketing quota for such crop under the small-farm exemption in section 335.

(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

MARKETING RESTRICTIONS

SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire export marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

CONVERSION FACTORS

SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product.

The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

AUTHORITY TO FACILITATE TRANSITION

SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

REPORTS AND RECORDS

SEC. 379h. This section shall apply to warehousemen, processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

PENALTIES

SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.

(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed,

or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than \$10,000 or imprisonment of not more than ten years, or both.

REGULATIONS

SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.

* * * * *

SUBTITLE [D]E—RICE CERTIFICATES

LEGISLATIVE FINDINGS

SEC. 380a. to SEC. 380p. Applicable only to 1956, 1957 and 1958 crops of rice.

SUBTITLE [E]F—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

* * * * *

FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, parity payment, *payment under section 339* loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provided by regulations.

SEC. 386. The provisions of section 3741 of the Revised Statutes (U.S.C., 1934 edition, title 41, sec. 22) and sections 114 and 115 of the Criminal Code of the United States (U.S.C., 1934 edition, title 18, secs. 204 and 205) [now 18 U.S.C. 431 and 432] shall not be applicable to loans or payments made under this Act (except under section 383(a)).

PUBLIC LAW 74, 77TH CONGRESS

That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

[(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.]

[The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.]

(1) *The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.*

(2) [During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.] *Whenever farm marketing quotas are in effect with respect to any*

crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

(3) The farm marketing excess for [corn and] wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon *twice* the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than *twice* the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of *twice the* normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any [corn or] wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of [corn or] wheat, the entire crop of [corn or] wheat [, as the case may be,] produced on the farm *and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest* shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon [corn or] wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of [corn or] wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also the wheat.

[(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however, That a*

farm marketing quota on the 1962 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.]

[(8)] (7) Until the farm marketing excess of [corn or] wheat [, as the case may be,] is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. *If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.*

[(9)] (8) (Not applicable to wheat.)

[(10)] (9) (Applicable only through the 1946 crop.)

[(11)] (10) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301(b)(6), 323(b), or 335(d) of the Act.

[(12) Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.]

(11) *The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.*

(12) *If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.*

NOTE.—The following provisions set out in boldface would become effective for 1963 and 1964 in lieu of similarly numbered provisions of Public Law 74, 77th Congress, if producers voted in the 1963 referendum for a 2-year extension of the 1962 program:

“(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted

to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however*, That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment.

“(2) Notwithstanding the provisions of item (2) of Public Law 74, Seventh-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1963 and 1964 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

“(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

* * * * *

“(7)¹ A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however*, That a farm marketing quota on the 1962, 1963, and 1964 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.”

¹ If this provision became effective for 1963 and 1964, it would be a permanent substitution for paragraph (7).

THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

SUBTITLE A—REAL ESTATE LOANS

* * * * *

SEC. 304. Loans may also be made or insured under the subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only if land and water development, use and conservation, *including recreational uses and facilities*.

* * * * *

SEC. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, *shifts in land use including the development of recreational facilities*, the conservation, development, use, and control of water and the installation or improvement of drainage or sewer facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed \$500,000 in the case of direct loans and \$1,000,000 in the case of insured loans at any one time.

* * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the

Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed **[\$10,000,000]** \$25,000,000 at any one time.

* * * * *

SUBTITLE B—OPERATING LOANS

* * * * *

SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation *including recreational uses and facilities*, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

RURAL ELECTRIFICATION ACT OF 1936

* * * * *

SEC. 3. [(a) The Secretary of the Treasury is hereby authorized and directed to make loans to the Administrator, upon the request and approval of the Secretary of Agriculture, in such amounts in the aggregate for each fiscal year commencing with the fiscal year ending June 30, 1948, as the Congress may from time to time determine to be necessary, either without interest or at such rate of interest per annum, not in excess of the rate provided for in sections 4 and 5 of this Act, as the Secretary of the Treasury may determine, upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of the Act or from the Administrator of the Rural Electrification Administration established by Executive Order Numbered 7037. Interest rates on the unpaid balance of any loans made by the Reconstruction Finance Corporation to the Administrator prior to July 1, 1947, shall be adjusted to the interest rate, if any, established for loans made after June 30, 1947, in accordance with the foregoing provision: *Provided*, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems and for the purpose of financing the improvement, expansion, construction, acquisition, and operation of facilities to render telephone service shall be fully amortized over a period not to exceed thirty-five years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more than five years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Secretary of the Treasury of all such obligations, and to execute such trust instruments as shall be agreed upon by the Administrator and the Secretary of the Treasury providing for the holding in trust by the Administrator of all such obligations for the Secretary of the Treasury as security for loans to the Administrator heretofore made by the Reconstruction Finance Corporation or made or to be made by the Secretary of the Treasury. All rights, interest, obligations, and duties of the Reconstruction Finance Corporation arising out of loans made or authorized to be made to the Administrator are, as of the close of June 30, 1947, vested in the Secretary of the Treasury; the Reconstruction Finance Corporation is authorized and directed to transfer, as of the close of June 30, 1947, to the Secretary of the Treasury and the Secretary of the Treasury is authorized and directed to receive all loans outstanding on that date, plus accrued unpaid interest, theretofore made to the Administrator under the provisions of this Act, and all notes and other evidences thereof and all obligations constituting the security therefor. The Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the unpaid principal of the loans so transferred, plus accrued unpaid interest through June 30, 1947. Subsequent to June 30, 1947, the Reconstruction Finance Corporation shall make no further loans or

advances to the Administrator; and the Secretary of the Treasury is hereby authorized and directed, in lieu of the Reconstruction Finance Corporation, to lend or advance to the Administrator, in accordance with the provisions of this subsection (3)(a), any unobligated or unadvanced balances of the sums which the Reconstruction Finance Corporation has theretofore been authorized and directed to lend to the Administrator. For the purpose of making loans or advances pursuant to this section, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such loans or advances to the Administrator. Repayments to the Secretary of the Treasury on such loans or advances shall be treated as a public-debt transaction of the United States.

[(b) There are hereby authorized to be appropriated such sums as the Congress may from time to time determine to be necessary for the purposes of this Act as hereinafter provided.] (a) *There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.*

(b) *When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.*

The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item "Rural Electrification Administration", in the Department of Agriculture appropriation Acts current on such date of enactment shall be merged into a single account hereafter in this section called the "loan account". All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account,

and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended.

(c) Twenty-five per centum of the annual sums herein made available or appropriated for loans for rural electrification pursuant to sections 4 and 5 of this title shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving central station electric service bears to the total number of farms of the United States not then receiving such service: Provided, That if any part of such sums are not loaned or obligated during the first six months of the fiscal year for which they are made available, such part shall thereafter be available for loans by the Administrator without allotment: Provided, however, That not more than 25 per centum of said sums may be employed in any one State or in all of the Territories. The Administrator shall within ninety days after the beginning of each fiscal year determine for each State and for the United States the number of farms not then receiving such service.

(d) The remaining 75 per centum of such annual sums shall be available for rural electrification loans in the several States and in the Territories, without allotment as hereinabove provided in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this Act, and to carry out the provisions of section 7: Provided, however, That not more than 25 per centum of said unallotted annual sums may be employed in any one State, or in all of the Territories.

(e) If any part of the annual sums made available for the purposes of this Act are not loaned or obligated during the fiscal year for which they are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years without allotment: Provided, however, That not more than 25 per centum of said sums for rural electrification loans may be employed in any one State or in all of the Territories.

[(f) All money representing payments of principal and interest on loans made by the Administrator shall be paid to the Secretary of the Treasury in payment of loans made to the Administrator by the Reconstruction Finance Corporation or the Secretary of the Treasury; upon the payment of such loans all moneys representing payments of principal and interest on loans made by the Administrator shall be covered into the Treasury as miscellaneous receipts.]



SUPPLEMENTAL VIEWS

The chairman of the Senate Committee on Agriculture and Forestry, Senator Ellender, has earned a vote of thanks from the American farmers and taxpayers for his patient and persistent efforts in behalf of an effective farm bill. We regret that despite these efforts the bill reported by the committee fails to provide realistic programs to meet several serious problems.

Few national issues bring such clear demands from the Congress and the American public for solution as do those farm programs which have been marked by excessive surpluses and high government costs in recent years.

President Kennedy, in presenting his farm message to the Congress, stated:

Our rapidly growing capacity to produce far outruns the growth of our domestic and foreign demand for food and fiber. This offers us an opportunity to manage abundance, rather than scarcity, an opportunity that is unique among nations of the world. It is relatively new even for the United States.

Several questions must be asked in judging the total farm program and the specific commodity programs: Is the productive effort of farmers or the agricultural produce being wasted? Will increased income go to farmers? Is the cost to the taxpayer reasonable?

It could be argued that continuation for a few years of the emergency feed grain and wheat programs is justified in terms of assisting to maintain the income of farmers. These programs have also reduced the surpluses somewhat. But they are very costly programs and they do not provide a long-range plan for solution of the underlying facts of the tremendous capacity of American farmers to produce and the resulting unmanageable surpluses, low income for farmers, and heavy costs to the taxpayer.

We recommend that the committee bill be amended (1) by substituting the supply management program (along the lines proposed by the Secretary and considered by the committee) in place of the 1-year extension of the emergency feed grain program; and (2) the removal from the wheat program of that section which provides for a referendum on extension of the emergency wheat program for 2 more years—the effect of this would be to provide a referendum for wheat farmers on a clear proposition of voting for the certificate program as it now stands in the committee bill.

These two changes would provide machinery for permanent programs to meet the problem.

Adoption of these programs would also result in a saving, estimated by the Department of Agriculture, of more than \$775 million in the first year. These amendments should appeal to those who seek responsible economy in the Federal farm program.

The following table prepared by the Department of Agriculture sets forth the estimated savings under the administration's program as compared to S. 3225 as reported.

A comparison of the major elements of CCC costs for feed grains and wheat programs under the administration's proposal and under the committee bill

In millions of dollars]

	Crop or marketing year				
	1962	1963	1964	1965	1966
Feed grains:					
(a) With voluntary diversion rates of 50 percent of support for 1st 20 percent of acreage and 60 percent of support for all over 20 percent for corn, grain sorghum, and barley:					
Land diversion payments.....	900	900	900	900	900
Other costs, net.....	494	300	250	100	100
Total.....	1,394	1,200	1,150	1,000	1,000
(b) With mandatory diversion at rates sufficient to maintain income for corn, grain sorghum, barley, and oats:					
Land diversion payments.....		400	300	200	
Other costs, net.....		144	141	57	57
Total.....		544	441	257	57
(c) Difference.....		656	709	743	943
Wheat:					
(a) With voluntary diversion rates of 45 percent of support for 1st 10 percent of acreage and 60 percent of support for all over 10 percent:					
Land diversion payments.....	345	345	345	345	345
Other costs, net.....	1,080	891	897	867	840
Total.....	1,425	1,236	1,242	1,212	1,185
(b) With mandatory diversion at rates sufficient to maintain income and marketing certificates:					
Land diversion payments.....		225	200	175	
Other costs, net.....		891	897	867	840
Total.....		1,116	1,097	1,042	840
(c) Difference.....		120	145	170	345
Summary:					
(a) The committee bill:					
Payments.....		1,245	1,245	1,245	1,245
Other.....		1,191	1,147	967	940
Total.....		2,436	2,392	2,312	2,185
(b) Administration:					
Payments.....		625	500	375	
Other.....		1,035	1,038	924	897
Total.....		1,660	1,538	1,299	897
(c) Difference.....		776	854	1,013	1,288

Prepared by U.S. Department of Agriculture.

The administration's feed grain program, rejected by a vote of 9-8 in the committee, would allow producers freely to choose between a program with good price and income potential in return for production limitation, or a program without production limitation and only moderate price support. Under either program orderly disposition by CCC of its feed grain stocks would be required.

The issue and consequences of these amendments involve more than government economy and protection of the American taxpayer. Important though these alone are, the American public today is highly critical of "all farm programs." Demands for continued high price

supports for commodities without supply adjustment intensify and give support to this criticism. It will react unfavorably on many commodity programs where adjustment of production is in force. It will affect adversely other farm programs of great worth because resources in Federal funds diverted to storage and handling costs means less for agricultural extension services, soil conservation, watersheds, research, and similar projects.

The Senate either by floor amendment or by further committee action in another measure should continue the work for a dairy program this year. The recent reduction in dairy price supports from \$3.40 to \$3.11, as required by law, represents a loss, estimated by the Department of Agriculture, of \$250 million in dairy farm income in the 1963 marketing year. The President and others had urged the retention of price supports at the \$3.40 level during the months ahead while Congress worked on a permanent dairy program.

Hopefully, the recent decline in consumption of dairy products is ended. There continues to be a rise in production during the early months of 1962. The costs of a dairy price support program at \$3.11 will remain near the \$562 million spent during the marketing year just past. At the same time the income to producers will decline. There is little doubt that much damage could occur as a result of adverse public reaction to a continuance of dairy price supports at the present level with no supply management program in prospect.

There is sufficient time for Congress, in cooperation with the Secretary of Agriculture and responsible leadership of organizations concerned with the long-range well-being of dairy farmers, to reach agreement on a better program than the status quo. We will work toward this objective.

Last year the Secretary of Agriculture proposed enabling legislation to permit farm commodity groups to develop their own programs and submit them to the farm producers in a referendum. This approach was rejected on the argument that it was the responsibility of the Congress to write specific programs.

This year the Secretary proposed specific programs for feed grains, dairy products, and what. Many who opposed the administration's program last year now oppose the specific programs because, they say, the farmers do not have sufficient choice.

As the situation now stands there is proposed to the Senate a wheat program which gives the producers a choice between a permanent program with a certificate plan for price supports or a 2-year extension of the emergency program; a feed grain program which extends the present emergency program but provides no opportunity for producers to vote on this proposition or on the permanent supply management program proposed by the administration. Although the dairy industry is facing a most serious and costly surplus problem, it provides no choice and no program.

1963 may well be the year when it is too late to find an equitable and orderly solution. It is for this reason we urge this year that the Senate enact supply management programs with a free-choice referendum for farmers.

PHILIP A. HART.
EUGENE J. McCARTHY.
STEPHEN M. YOUNG.
MAURINE B. NEUBERGER.

Calendar No. 1333

87TH CONGRESS
2^D SESSION

S. 3225

[Report No. 1365]

IN THE SENATE OF THE UNITED STATES

APRIL 27, 1962

Mr. ELLENDER, from the Committee on Agriculture and Forestry, reported the following bill ; which was read twice and placed on the calendar

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act be cited as the "Food and Agriculture Act
- 4 of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended
4 as follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 "(e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 practices or measures to be carried out on any lands owned
23 or operated by them and regularly used in the production of
24 crops (including crops such as tame hay, alfalfa, and clovers,
25 which do not require annual tillage, and including lands

1 covered by conservation reserve contracts under subtitle B
2 of the Soil Bank Act) for the purpose of conserving and de-
3 veloping soil, water, forest, wildlife, and recreation resources,
4 or for nonagricultural purposes. Such agreements shall in-
5 clude such terms and conditions as the Secretary may deem
6 desirable to effectuate the purposes of this subsection and
7 may provide for payments, the furnishing of materials and
8 services, and other assistance, in amounts determined by the
9 Secretary to be fair and reasonable, in consideration of the
10 obligations undertaken by the farm and ranch owners and
11 operators and the rights acquired by the Secretary.

12 “(2) The Secretary shall provide adequate safeguards
13 to protect the interests of tenants and sharecroppers, includ-
14 ing provision for sharing, on a fair and equitable basis, in
15 payments under this subsection.

16 “(3) The Secretary may agree to such modification of
17 agreements previously entered into as he may determine to
18 be desirable to carry out the purposes of this subsection or to
19 facilitate the practical administration of the program carried
20 out pursuant to this subsection.

21 “(4) The Secretary shall issue such regulations as he
22 determines necessary to carry out the provisions of this
23 subsection.

24 “(5) Notwithstanding any other provision of law, the
25 Secretary, to the extent he deems it desirable to carry out

1 the purposes of this subsection, may provide in any agree-
2 ment hereunder for (A) preservation for a period not to
3 exceed the period covered by the agreement and an equal
4 period thereafter of the cropland, crop acreage, and allot-
5 ment history applicable to land covered by the agreement
6 for the purpose of any Federal program under which such
7 history is used as a basis for an allotment or other limitation
8 on the production of such crop; or (B) surrender of any
9 such history and allotments.

10 “(6) There is hereby authorized to be appropriated such
11 sums as may be necessary to carry out this subsection. The
12 Secretary shall not enter into agreements hereunder which
13 would require payments, the furnishing of materials and
14 services, and other assistance, in amounts in excess of
15 \$10,000,000 in any calendar year.”

16 (5) by adding a new subsection at the end of sec-
17 tion 16 of said Act to read as follows:

18 “(f) The Secretary is authorized to use the services,
19 facilities, and authorities of Commodity Credit Corporation
20 for the purpose of making disbursements to producers under
21 programs formulated pursuant to sections 8 and 16(e) of
22 this Act: *Provided*, That no such disbursements shall be
23 made by Commodity Credit Corporation unless it has re-
24 ceived funds to cover the amount thereof from appropriations
25 available for the purpose of carrying out such programs.”

26 SEC. 102. (a) Section 31 of title III of the Bankhead-

1 Jones Farm Tenant Act (50 Stat. 525), as amended, is
 2 amended to read as follows:

3 "SEC. 31. The Secretary is authorized and directed to
 4 develop a program of land conservation and land utilization,
 5 including the more economic use of lands and the retirement
 6 of lands which are submarginal or not primarily suitable for
 7 cultivation, in order thereby to correct maladjustments in
 8 land use, and thus assist in controlling soil erosion, reforesta-
 9 tion, enabling local public authorities to provide public
 10 recreation, preserving natural resources, protecting fish and
 11 wildlife, mitigating floods, preventing impairment of dams
 12 and reservoirs, conserving surface and subsurface moisture,
 13 protecting the watersheds of navigable streams, and protect-
 14 ing the public lands. ✓

15 (b) Subsection (a) of section 32 of title III of the
 16 Bankhead-Jones Farm Tenant Act, as amended, is repealed.

17 (c) Section 32 (e) of title III of the Bankhead-Jones
 18 Farm Tenant Act, as amended, is amended to read as follows:

19 "(e) to cooperate with Federal, State, territorial,
 20 and other public agencies in developing plans for a pro-
 21 gram of land conservation and land utilization, to assist
 22 in carrying out such plans by means of loans to State
 23 and local public agencies designated by the State legis-
 24 lature or the Governor, to conduct surveys and investiga-
 25 tions relating to conditions and factors affecting, and the
 26 methods of accomplishing most effectively the purposes

*land acquisition
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1 of this title, and to disseminate information concerning
2 these activities. Loans to State and local public agen-
3 cies shall be made only if such plans have been sub-
4 mitted to, and not disapproved within 45 days by, the
5 State agency having supervisory responsibility over
6 such plans, or by the Governor if there is no such State
7 agency. No appropriation shall be made for any single
8 loan under this subsection in excess of \$250,000 un-
9 less such loan has been approved by resolutions adopted
10 by the Committee on Agriculture and Forestry of the
11 Senate and the Committee on Agriculture of the House
12 of Representatives. Loans under this subsection shall be
13 made under contracts which will provide, under such
14 terms and conditions as the Secretary deems appropriate,
15 for the repayment thereof in not more than 30 years,
16 with interest at the average rate, as determined by the
17 Secretary of the Treasury, payable by the Treasury on
18 its marketable public obligations outstanding at the be-
19 ginning of the fiscal year in which the loan is made,
20 which are neither due nor callable for redemption for 15
21 years from date of issue. Repayment of principal and
22 interest on such loans shall begin within 5 years.”

23 SEC. 103. The Watershed Protection and Flood Preven-
24 tion Act (68 Stat. 666), as amended, is amended as follows:

25 (1) Paragraph (1) of section 4 of said Act is

1 amended by changing the semicolon at the end thereof
2 to a colon and adding the following: "*Provided*, That
3 when a local organization agrees to operate and maintain
4 any reservoir or other area included in a plan for public
5 fish and wildlife or recreational development, the Secre-
6 tary shall be authorized to bear not to exceed one-half of
7 the costs of (a) the land, easements, or rights-of-way
8 acquired or to be acquired by the local organization for
9 such reservoir or other area, and (b) minimum basic
10 facilities needed for public health and safety, access to,
11 and use of such reservoir or other area for such purposes:
12 *Provided further*, That the Secretary shall be authorized
13 to participate in recreational development in any water-
14 shed project only to the extent that the need therefor is
15 demonstrated in accordance with standards established
16 by him, taking into account the anticipated man-days of
17 use of the projected recreational development and giving
18 consideration to the availability within the region of ex-
19 isting water-based outdoor recreational developments:
20 *Provided further*, That when the Secretary and a local
21 organization have agreed that the immediate acquisition
22 by the local organization of land, easements, or rights-
23 of-way is advisable for the preservation of sites for works
24 of improvement included in a plan from encroachment
25 by residential, commercial, industrial, or other develop-

1 ment, the Secretary shall be authorized to advance to
2 the local organization from funds appropriated for con-
3 struction of works of improvement the amounts required
4 for the acquisition of such land, easements or rights-of-
5 way; and, except where such costs are to be borne by
6 the Secretary, such advance shall be repaid by the local
7 organization, with interest, prior to construction of the
8 works of improvement, for credit to such construction
9 funds.”

10 (2) Clause (A) of paragraph 2 of section 4 of said
11 Act is amended to read as follows: “(A) such propor-
12 tionate share, as is determined by the Secretary to be
13 equitable in consideration of national needs and assist-
14 ance authorized for similar purposes under other Federal
15 programs, of the costs of installing any works of improve-
16 ment, involving Federal assistance (excluding engineer-
17 ing costs), which is applicable to the agricultural phases
18 of the conservation, development, utilization, and dis-
19 posal of water or for fish and wildlife or recreational
20 development, and”.

21 TITLE II—AGRICULTURAL TRADE

22 DEVELOPMENT

23 SEC. 201. Title IV of the Agricultural Trade Develop-
24 ment and Assistance Act of 1954, as amended, is further
25 amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: *Provided*, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities

1 over such periods of time and under the terms
2 and conditions set forth in this title. Any agree-
3 ment entered into hereunder with the private trade
4 shall provide for the furnishing of such security as
5 the Secretary determines necessary to provide rea-
6 sonable assurance of payment of the amount due
7 for agricultural commodities sold pursuant to such
8 agreement.”

9 (3) Section 403 is amended—

10 (a) by deleting the words “approximately
11 equal” from the last sentence thereof and substituting
12 therefor the word “reasonable”; and

13 (b) by inserting after the word “agreement” in
14 the last sentence thereof the following: “, except that
15 the date for beginning such annual payments may
16 be deferred for a period not later than two years
17 after such date of last delivery,”.

18 (4) Section 405 is amended to read as follows:

19 “SEC. 405. In entering into agreements with friendly
20 nations for the sale of surplus agricultural commodities, the
21 President may, to the extent deemed practicable and in the
22 best interests of the United States, permit other friendly
23 and historic supplying nations to participate in supplying
24 such commodities under the sales agreement on the same

1 terms and conditions as those applicable to the United
2 States.”

3 (5) Section 406 is amended by inserting after the
4 word “sections” the following: “101 (b) and (c),”.

5 TITLE III—COMMODITY PROGRAMS

6 SUBTITLE A—1963 FEED GRAIN PROGRAM

7 SEC. 301. Section 105 (c) of the Agricultural Act of
8 1949 is amended by adding the following new paragraphs
9 (5) and (6) :

10 “(5) The level of price support for the 1963 crop of
11 corn shall be established by the Secretary at such level not
12 less than 65 per centum of the parity price therefor as the
13 Secretary may determine. Price support for corn, grain
14 sorghums, and barley shall be made available on not to ex-
15 ceed the normal production of the 1963 acreage of corn,
16 grain sorghums, and barley of each eligible farm based on its
17 average yield per acre for the 1959 and 1960 crop acreage.

18 “(6) The Secretary shall require as a condition of eligi-
19 bility for price support on the 1963 crop of corn and grain
20 sorghums that the producer shall participate in the special
21 agricultural conservation program for 1963 for corn and
22 grain sorghums to the extent prescribed by the Secretary
23 and (except in the case of a producer of malting barley as

1 hereinafter described and except in the case of a producer of
2 barley on a summer-fallow farm as hereinafter described)
3 shall not knowingly devote an acreage on the farm to barley
4 in excess of the average acreage devoted on the farm to
5 barley in 1959 and 1960. The Secretary shall require as a
6 condition of eligibility for price support on the 1963 crop of
7 barley that the producer shall participate in the special agri-
8 cultural conservation program for 1963 for barley to the
9 extent prescribed by the Secretary and shall not knowingly
10 devote an acreage on the farm to corn and grain sorghums
11 in excess of the average acreage devoted on the farm to corn
12 and grain sorghums in 1959 and 1960: *Provided*, That no
13 producer of malting barley shall be required to participate in
14 the special agricultural conservation program for 1963 for
15 barley if such producer has previously produced a malting
16 variety of barley, plants barley only of an acceptable malting
17 variety for harvest in 1963, does not knowingly devote an
18 acreage on the farm to barley in excess of 110 per centum of
19 the average acreage devoted on the farm to barley in 1959
20 and 1960, and does not knowingly devote an acreage on the
21 farm to corn and grain sorghums in excess of the average
22 acreage devoted on the farm to corn and grain sorghums
23 in 1959 and 1960: *Provided further*, That no producer of
24 barley on a farm where summer fallow is the normal prac-
25 tice shall be required to participate in the special agricul-

1 tural conservation program for 1963 for barley if he (i) does
2 not knowingly devote an acreage on the farm to barley in
3 excess of the average acreage devoted on the farm to barley
4 in 1959 and 1960 plus the acreage devoted to summer fallow
5 in 1962 which is diverted from the production of wheat under
6 the special 1963 wheat program, and (ii) does not know-
7 ingly devote an acreage on the farm to corn, grain sorghums,
8 and barley in excess of 80 per centum of the average acreage
9 devoted on the farm to corn, grain sorghums, and barley
10 in 1959 and 1960.”

11 SEC. 302. Section 16 of the Soil Conservation and Do-
12 mestic Allotment Act, as amended, is amended by adding
13 the following new subsection:

14 “(g) Notwithstanding any other provision of law—

15 “(1) The Secretary shall formulate and carry out
16 a special agricultural conservation program for 1963,
17 without regard to provisions which would be applicable
18 to the regular agricultural conservation program, under
19 which, subject to such terms and conditions as the Sec-
20 retary determines, conservation payments in amounts
21 determined by the Secretary to be fair and reasonable
22 shall be made to producers who divert acreage from the
23 production of corn and grain sorghums, and barley,
24 respectively, to an approved conservation use and in-
25 crease their average acreage of cropland devoted in

1 1959 and 1960 to designated soil conserving crops or
2 practices including summer fallow and idle land by an
3 equal amount: *Provided, however,* That any producer
4 may elect in lieu of such payment to devote such di-
5 verted acreage to castor beans, guar, safflower, sun-
6 flower, or sesame, if designated by the Secretary. In
7 order to be eligible for a payment, a producer (other
8 than a producer of malting barley as described in
9 section 105 (c) (6) of the Agricultural Act of 1949,
10 or a producer of barley on a summer-fallow farm as
11 described in such section) who participates in the spe-
12 cial agricultural conservation program of 1963 for corn
13 and grain sorghums must not knowingly devote an
14 acreage on the farm in excess of the average acreage
15 devoted on the farm to barley in 1959 and 1960,
16 and a producer who participates in the special agri-
17 cultural conservation program for 1963 for barley
18 must not knowingly devote an acreage on the farm
19 to corn and grain sorghums in excess of the average
20 acreage devoted on the farm to corn and grain sorghums
21 in 1959 and 1960. The excess, if any, of the acreage
22 devoted to barley in 1963 on a summer-fallow farm as
23 described in section 105 (c) (6) of the Agricultural Act
24 of 1949 over the average acreage devoted to barley on
25 such farm in 1959 and 1960 shall be considered as

1 planted to corn and grain sorghums for the purpose of
2 determining extent of participation and payments under
3 the special agricultural conservation program for 1963
4 for corn and grain sorghums. Such special agricultural
5 conservation program shall require the producer to take
6 such measures as the Secretary may deem appropriate
7 to keep such diverted acreage free from insects, weeds,
8 and rodents. The acreage eligible for payments in cash
9 or in an equivalent amount in kind under such conserva-
10 tion program shall be an acreage equivalent to 20 per
11 centum of the average acreage on the farm planted to
12 corn and grain sorghums, or barley, in the crop years
13 1959 and 1960 or up to twenty acres, whichever is
14 greater. Such payments in cash or in kind at the basic
15 county support rate for the 1962 crop in effect at the
16 time payment rates for the special feed grain program
17 for 1963 are established, adjusted to reflect any changes
18 between the national support rates for the 1962 and
19 1963 crops may be made on an amount of the com-
20 modity not in excess of 50 per centum of the normal
21 production of the acreage diverted from the commodity
22 on the farm based on its adjusted average yield per acre
23 for the 1959 and 1960 crop acreage. Payments in
24 kind only may be made by the Secretary for the diver-
25 sion of up to an additional 20 per centum of the average

1 acreage on the farm planted to corn and grain sorghums,
2 or barley, in the crop years 1959 and 1960. Payments
3 in kind on such additional acreage may be made at the
4 basic county support rate for the 1962 crop in effect at
5 the time payments rates for the special feed grain pro-
6 gram for 1963 are established, adjusted to reflect any
7 changes between the national support rates for the 1962
8 and 1963 crops on an amount of corn and grain sor-
9 ghums, or barley, not in excess of 60 per centum of
10 the normal production of the acreage diverted from the
11 commodity on the farm based on its adjusted average
12 yield per acre for the 1959 and 1960 crop acreage.
13 The Secretary may make such adjustments in acreage
14 and yields for the 1959 and 1960 crop years as he
15 determines necessary to correct for abnormal factors af-
16 fecting production, and to give due consideration to till-
17 able acreage, crop rotation practices, type of soil, soil
18 and water conservation measures, and topography. To
19 the extent that a producer proves the actual acreages
20 and yields for the farm for the 1959 and 1960 crop
21 years, such acreages and yields shall be used in making
22 determinations. The Secretary may make not to ex-
23 ceed 50 per centum of any payments to producers in
24 advance of determination of performance.

“(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16 (g). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1963, and to pay such costs as may be incurred in carrying out section 303 of the Food and Agriculture Act of 1962.

“(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.”

SEC. 303. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the

1 purposes of the special feed grain program for 1963 author-
2 ized by this Act. In the case of any certificate not presented
3 for redemption within thirty days of the date of its issuance,
4 reasonable costs of storage and other carrying charges,
5 as determined by the Secretary, for the period beginning
6 thirty days after its issuance and ending with the date of its
7 presentation for redemption shall be deducted from the value
8 of the certificate.

9 SEC. 304. Notwithstanding any other provision of law,
10 the Secretary may place such limits on the extent that pro-
11 ducers may participate in the special feed grain conservation
12 program for 1963 authorized by this Act as he determines
13 necessary because of an emergency created by drought or
14 other disaster, or in order to prevent or alleviate a short-
15 age in the supply of corn, grain sorghums, or barley.

16 SUBTITLE B—WHEAT

17 (First Alternate Program—Sections 310 Through 325)

18 SEC. 310. Section 331 of the Agricultural Adjustment
19 Act of 1938, as amended, is hereby amended by striking out
20 the last paragraph thereof and inserting in lieu thereof the
21 following paragraphs:

22 “Wheat which is planted and not disposed of prior to the
23 date prescribed by the Secretary for the disposal of excess
24 acres of wheat is an addition to the total supply of wheat
25 and has a direct effect on the price of wheat in interstate and

1 foreign commerce and may also affect the supply and price
2 of livestock and livestock products. In the circumstances,
3 wheat not disposed of prior to such date must be considered
4 in the same manner as mechanically harvested wheat in order
5 to achieve the policy of the Act.

6 “The diversion of substantial acreages from wheat to
7 the production of commodities which are in surplus supply or
8 which will be in surplus supply if they are permitted to be
9 grown on the diverted acreage would burden, obstruct, and
10 adversely affect interstate and foreign commerce in such
11 commodities, and would adversely affect the prices of such
12 commodities in interstate and foreign commerce. Small
13 changes in the supply of a commodity could create a sufficient
14 surplus to affect seriously the price of such commodity in
15 interstate and foreign commerce. Large changes in the sup-
16 ply of such commodity could have a more acute effect on the
17 price of the commodity in interstate and foreign commerce
18 and, also, could overtax the handling, processing, and trans-
19 portation facilities through which the flow of interstate and
20 foreign commerce in such commodity is directed. Such ad-
21 verse effects caused by overproduction in one year could
22 further result in a deficient supply of the commodity in the
23 succeeding year, causing excessive increases in the price of
24 the commodity in interstate and foreign commerce in such
25 year. It is, therefore, necessary to prevent acreage diverted

1 from the production of wheat to be used to produce commodi-
2 ties which are in surplus supply or which will be in surplus
3 supply if they are permitted to be grown on the diverted
4 acreage.

5 "The provisions of this part affording a cooperative
6 plan to wheat producers are necessary in order to mini-
7 mize recurring surpluses and shortages of wheat in inter-
8 state and foreign commerce, to provide for the maintenance of
9 adequate reserve supplies thereof, to provide for an adequate
10 and orderly flow of wheat and its products in interstate and
11 foreign commerce at prices which are fair and reasonable
12 to farmers and consumers, and to prevent acreage diverted
13 from the production of wheat from adversely affecting other
14 commodities in interstate and foreign commerce."

15 SEC. 311. Section 332 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby amended by striking out
17 the provisions of such section and by inserting in lieu thereof
18 the following:

19 "NATIONAL MARKETING QUOTA

20 "SEC. 332. (a) Whenever prior to April 15 in any
21 calendar year the Secretary determines that the total supply
22 of wheat in the marketing year beginning in the next succeed-
23 ing calendar year will, in the absence of a marketing quota
24 program, likely be excessive, the Secretary shall proclaim
25 that a national marketing quota for wheat shall be in effect for

1 such marketing year and for either the following marketing
2 year or the following two marketing years, if the Secretary
3 determines and declares in such proclamation that a two-
4 or three-year marketing quota program is necessary to effec-
5 tuate the policy of the Act.

6 “(b) If a national marketing quota for wheat has been
7 proclaimed for any marketing year, the Secretary shall
8 determine and proclaim the amount of the national market-
9 ing quota for such marketing year not earlier than January 1
10 or later than April 15 of the calendar year preceding the
11 year in which such marketing year begins. The amount of
12 the national marketing quota for wheat for any marketing
13 year shall be an amount of wheat which the Secretary esti-
14 mates (i) will be utilized during such marketing year for
15 human consumption in the United States as food, food prod-
16 ucts, and beverages, composed wholly or partly of wheat,
17 (ii) will be utilized during such marketing year in the United
18 States for seed, (iii) will be exported either in the form of
19 wheat or products thereof, and (iv) as the average amount
20 which was utilized as livestock (including poultry) feed in
21 the marketing years beginning in 1959 and 1960; less (A)
22 an amount of wheat equal to the estimated imports of wheat
23 into the United States during such marketing year and, (B)
24 if the stocks of wheat owned by the Commodity Credit Cor-
25 poration are determined by the Secretary to be excessive, an

1 amount of wheat determined by the Secretary to be a desir-
2 able reduction in such marketing year in such stocks to
3 achieve the policy of the Act: *Provided*, That if the Secre-
4 tary determines that the total stocks of wheat in the Nation
5 are insufficient to assure an adequate carryover for the next
6 succeeding marketing year, the national marketing quota
7 otherwise determined shall be increased by the amount the
8 Secretary determines to be necessary to assure an adequate
9 carryover: *And provided further*, That the national market-
10 ing quota for wheat for any marketing year shall be not less
11 than one billion bushels.

12 “(c) If, after the proclamation of a national marketing
13 quota for wheat for any marketing year, the Secretary has
14 reason to believe that, because of a national emergency or
15 because of a material increase in the demand for wheat, the
16 national marketing quota should be terminated or the amount
17 thereof increased, he shall cause an immediate investigation
18 to be made to determine whether such action is necessary
19 in order to meet such emergency or increase in the demand
20 for wheat. If, on the basis of such investigation, the Secre-
21 tary finds that such action is necessary, he shall immediately
22 proclaim such finding and the amount of any such increase
23 found by him to be necessary and thereupon such national
24 marketing quota shall be so increased or terminated. In case
25 any national marketing quota is increased under this sub-

1 section, the Secretary shall provide for such increase by
2 increasing acreage allotments established under this part by a
3 uniform percentage."

4 SEC. 312. Section 333 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended to read as fol-
6 lows:

7 "NATIONAL ACREAGE ALLOTMENT

8 "SEC. 333. Whenever the amount of the national
9 marketing quota for wheat is proclaimed for any marketing
10 year, the Secretary at the same time shall proclaim a na-
11 tional acreage allotment for the crop of wheat planted for
12 harvest in the calendar year in which such marketing year
13 begins. The amount of the national acreage allotment for
14 any crop of wheat shall be the number of acres which the
15 Secretary determines on the basis of expected yields and
16 expected underplantings of farm acreage allotments will,
17 together with (1) the expected production on the increases
18 in acreage allotments for farms based upon small-farm base
19 acreages pursuant to section 335, and (2) the expected pro-
20 duction on increased acreages resulting from the small-farm
21 exemption pursuant to section 335, make available a supply
22 of wheat equal to the national marketing quota for wheat
23 for such marketing year."

24 SEC. 313. Section 334 of the Agricultural Adjustment
25 Act of 1938, as amended, is further amended as follows:

1 (1) By amending subsection (e) thereof (A) by
2 striking out of the first sentence thereof, “of the 1962,
3 1963, and 1964 crops” and inserting “crop”, and (B)
4 by inserting the following sentence immediately follow-
5 ing the eighth sentence thereof: “The land-use provi-
6 sions of section 339 shall not be applicable to any farm
7 receiving an increased allotment under this subsection,
8 and the producers on such farm shall not be required
9 to comply with such provisions as a condition of eligibil-
10 ity for price support.”

11 (2) By repealing subsection (g) thereof and by
12 redesignating subsections (h) and (i) thereof as (g)
13 and (h) respectively.

14 (3) By amending subsection (i) thereof, redesign-
15 ated by this section as subsection (h), by inserting the
16 following sentence immediately following the seventh
17 sentence thereof: “The land-use provisions of section 339
18 shall not be applicable to any farm receiving an addi-
19 tional allotment under this subsection.”

20 (4) By striking out of the last sentence of sub-
21 section (i) thereof (added by Public Law 87-357, 87th
22 Congress, 1st session), redesignated by this section as
23 subsection (h), “or 1963”.

24 (5) by adding at the end thereof the following
25 new subsection:

1 “(i) If, with respect to any crop of wheat, the Secretary
2 finds that the acreage allotments of farms producing any
3 kind of wheat (other than durum wheat to which subsections
4 (e) and (h) are applicable) are inadequate to provide for
5 the production of a sufficient quantity of such kind of wheat
6 to satisfy the demand therefor, the wheat acreage allotment
7 for such crop for each farm located in a county designated by
8 the Secretary as a county which (1) is capable of producing
9 such kind of wheat, and (2) has produced such kind of
10 wheat for commercial food products during one or more of
11 the five years immediately preceding the year in which such
12 crop is harvested, shall be increased by such uniform per-
13 centage as he deems necessary to provide for such quantity.
14 No increase shall be made under this subsection in the wheat
15 acreage allotment of any farm for any crop if any wheat
16 other than such kind of wheat is planted on such farm for such
17 crop. Any increases in wheat acreage allotments author-
18 ized by this subsection shall be in addition to the National,
19 State, and county wheat acreage allotments, and such in-
20 creases shall not be considered in establishing future State,
21 county, and farm allotments. The provisions of paragraph
22 (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C.
23 1340 (6)), and section 326 (b) of this Act, relating to the
24 reduction of the storage amount of wheat shall apply to the

1 allotment for the farm established without regard to this sub-
2 section and not to the increased allotment under this subsec-
3 tion. The land-use provisions of section 339 shall not be
4 applicable to any farm receiving an increased allotment under
5 this subsection and the producers on such farms shall not
6 be required to comply with such provisions as a condition of
7 eligibility for price support.”

8 SEC. 314. Part III of subtitle B of title III of the Agri-
9 cultural Adjustment Act of 1938, as amended, is hereby
10 amended by adding immediately after section 334 thereof
11 the following:

12 “COMMERCIAL AREA

13 “SEC. 334a. If the acreage allotment for any State for
14 any crop of wheat is twenty-five thousand acres or less, the
15 Secretary, in order to promote efficient administration of this
16 Act and the Agricultural Act of 1949, may designate such
17 State as outside the commercial wheat-producing area for
18 the marketing year for such crop. If such State is so desig-
19 nated, acreage allotments for such crop and marketing quotas
20 for the marketing year therefor shall not be applicable to any
21 farm in such State. Acreage allotments in any State shall
22 not be increased by reason of such designation.

23 SEC. 315. Section 335 of the Agricultural Adjustment
24 Act of 1938, as amended, is hereby amended to read as
25 follows:

1 "SMALL FARM EXEMPTION

2 "SEC. 335. Notwithstanding any other provision of this
3 part, no farm marketing quota for any crop of wheat shall
4 be applicable to any farm with a farm acreage allotment of
5 less than fifteen acres if the acreage of such crop of wheat
6 does not exceed the small-farm base acreage determined for
7 the farm, unless the operator elects in writing on a form and
8 within the time prescribed by the Secretary to be subject to
9 the farm acreage allotment and marketing quota. The small-
10 farm base acreage for a farm shall be the smaller of (A) the
11 average acreage of the crop of wheat planted for harvest in
12 the three years in which the acreage was highest during the
13 five-year period 1957-1961, or such later five-year period
14 determined by the Secretary to be representative, with ad-
15 justments for abnormal weather conditions, established crop-
16 rotation practices on the farm, and such other factors as the
17 Secretary determines should be considered for the purpose
18 of establishing a fair and equitable small-farm base acreage,
19 or (B) fifteen acres. The acreage allotment for any farm
20 shall be the larger of (1) the small-farm base acreage deter-
21 mined as provided above on the basis of the five-year period
22 1957-1961, reduced by the same percentage by which the
23 national acreage allotment for the crop is reduced below
24 fifty-five million acres, or (2) the acreage allotment

1 determined without regard to (1) above. If the opera-
2 tor of any such farm fails to make such election with respect
3 to any crop of wheat, (i) for the purposes of Public Law
4 74, Seventy-seventh Congress (7 U.S.C. 1340) , as amended,
5 the farm acreage allotment for such crop of wheat shall be
6 deemed to be the larger of (A) the small-farm base acreage
7 or (B) the acreage allotment for the farm, (ii) the land-use
8 provisions of section 339 shall be inapplicable to the farm,
9 (iii) such crop of wheat shall not be eligible for price sup-
10 port, and (iv) wheat marketing certificates applicable to
11 such crop shall not be issued with respect to the farm. The
12 additional acreage required to provide acreage allotments for
13 farms based upon small-farm base acreages under this sec-
14 tion shall be in addition to National, State, and county acre-
15 age allotments.

16 SEC. 316. Section 336 of the Agricultural Adjustment
17 Act of 1938, as amended, is hereby amended to read as
18 follows:

19 "REFERENDUM

20 "SEC. 336. (a) If a national marketing quota for wheat
21 for one, two, or three marketing years is proclaimed, the
22 Secretary shall, not later than sixty days after such proclama-
23 tion is published in the Federal Register, conduct a referen-
24 dum, by secret ballot, of farmers to determine whether they

1 favor or oppose marketing quotas for the marketing year or
2 years for which proclaimed. Any producer who has a farm
3 acreage allotment shall be eligible to vote in any referendum
4 held pursuant to this section, except that a producer who has
5 a farm acreage allotment of less than fifteen acres shall not
6 be eligible to vote unless the farm operator elected pursuant
7 to section 335 to be subject to the farm marketing quota. The
8 Secretary shall proclaim the results of any referendum held
9 hereunder within thirty days after the date of such referen-
10 dum, and if the Secretary determines that more than one-
11 third of the farmers voting in the referendum voted against
12 marketing quotas, the Secretary shall proclaim that market-
13 ing quotas will not be in effect with respect to the crop of
14 wheat produced for harvest in the calendar year following
15 the calendar year in which the referendum is held. If the
16 Secretary determines that two-thirds or more of the farmers
17 voting in a referendum approve marketing quotas for a period
18 of two or three marketing years, no referendum shall be held
19 for the subsequent year or years of such period.”

20 (b) In the referendum held pursuant to subsection (a)
21 of this section on the national marketing quota proclaimed
22 for the 1963 crop of wheat, the Secretary shall also submit
23 the question whether farmers favor a two-year extension of
24 the program in effect for the 1962 crop of wheat in lieu of the
25 program for wheat provided by sections 310 through 325 of

1 the Food and Agriculture Act of 1962. If a majority of the
2 farmers voting on such question favor such two-year exten-
3 sion, (1) the provisions of sections 310 through 325 of the
4 Food and Agriculture Act of 1962 shall thereupon become
5 inoperative, (2) the provisions of sections 326 through 329
6 of such Act shall be in effect for the 1963 and 1964 crops,
7 and (3) the provisions of law in effect without regard to the
8 amendments contained in such Act shall be in effect for the
9 1965 and subsequent crops of wheat.

10 SEC. 317. Section 337 of the Agricultural Adjustment
11 Act of 1938, as amended, is hereby repealed.

12 SEC. 318. The Agricultural Adjustment Act of 1938,
13 as amended, is hereby amended by adding after section 338 a
14 new section as follows:

15 "LAND USE

16 "SEC. 339. (a) (1) During any year in which market-
17 ing quotas for wheat are in effect, the producers on any farm
18 (except a new farm receiving an allotment from the reserve
19 for new farms) on which any crop is produced on acreage
20 required to be diverted from the production of wheat shall
21 be subject to a penalty on such crop, in addition to any
22 marketing quota penalty applicable to such crops, as pro-
23 vided in this subsection unless (i) the crop is designated by
24 the Secretary as one which is not in surplus supply and will
25 not be in surplus supply if it is permitted to be grown on the

1 diverted acreage, or as one the production of which will not
2 substantially impair the purpose of the requirements of this
3 section, or (2) no wheat is produced on the farm, and the
4 producers have not filed an agreement or a statement of
5 intention to participate in the payment program formulated
6 pursuant to subsection (b) of this section. The acreage
7 required to be diverted from the production of wheat on the
8 farm shall be an acreage of cropland equal to the number
9 of acres determined by multiplying the farm acreage allot-
10 ment by the diversion factor determined by dividing the
11 number of acres by which the national acreage allotment is
12 reduced below fifty-five million acres by the number of acres
13 in the national acreage allotment. The actual production of
14 any crop subject to penalty under this subsection shall be
15 regarded as available for marketing and the penalty on such
16 crop shall be computed on the actual acreage of such crop
17 at the rate of 65 per centum of the parity price per bushel
18 of wheat as of May 1 of the calendar year in which such
19 crop is harvested, multiplied by the normal yield of wheat
20 per acre established for the farm. Until the producers on
21 any farm pay the penalty on such crop, the entire crop of
22 wheat produced on the farm and any subsequent crop of
23 wheat subject to marketing quotas in which the producer
24 has an interest shall be subject to a lien in favor of the United
25 States for the amount of the penalty. Each producer having

1 an interest in the crop or crops on acreage diverted or
2 required to be diverted from the production of wheat shall
3 be jointly and severally liable for the entire amount of the
4 penalty. The persons liable for the payment or collection of
5 the penalty under this section shall be liable also for interest
6 thereon at the rate of 6 percentum per annum from the date
7 the penalty becomes due until the date of payment of such
8 penalty.

9 “(2) The Secretary may require that the acreage on
10 any farm diverted from the production of wheat be land
11 which was diverted from the production of wheat in the
12 previous year, to the extent he determines that such require-
13 ment is necessary to effectuate the purposes of this subtitle.

14 “(3) The Secretary may permit the diverted acreage
15 to be grazed in accordance with regulations prescribed by
16 the Secretary.

17 “(b) The Secretary is authorized to formulate and carry
18 out a program with respect to the 1963, 1964, and 1965
19 crops of wheat under which, subject to such terms and con-
20 ditions as he determines are desirable to effectuate the pur-
21 poses of this section, payments may be made in amounts
22 not in excess of 50 per centum of the estimated basic county
23 support rate on the normal production of the acreage diverted
24 taking into account the income objectives of the Act, de-
25 termined by the Secretary to be fair and reasonable with

1 respect to acreage diverted pursuant to subsection (a) of this
2 section. The Secretary may permit producers on any farm
3 to divert from the production of wheat an acreage, in addi-
4 tion to the acreage diverted pursuant to subsection (a),
5 equal to 20 per centum of the farm acreage allotment for
6 wheat: *Provided*, That the producers on any farm may, at
7 their election, divert such acreage in addition to the acreage
8 diverted pursuant to subsection (a), as will bring the total
9 acreage diverted on the farm to fifteen acres. Such program
10 shall require (1) that the diverted acreage shall be devoted
11 to conservation uses approved by the Secretary; (2) that the
12 total acreage of cropland on the farm devoted to soil-
13 conserving uses, including summer fallow and idle land but
14 excluding the acreage diverted as provided above, and acre-
15 age diverted under section 16 (g) of the Soil Conservation
16 and Domestic Allotment Act shall be not less than the total
17 average acreage of cropland devoted to soil-conserving uses
18 including summer fallow and idle land on the farm during
19 a representative period, as determined by the Secretary,
20 adjusted to the extent the Secretary determines appropriate
21 for (i) abnormal weather conditions or other factors affecting
22 production, (ii) established crop-rotation practices on the
23 farm, (iii) participation in other Federal farm programs,
24 (iv) unusually high percentage of land on the farm devoted

1 to conserving uses, and (v) other factors which the Secre-
2 tary determines should be considered for the purpose of
3 establishing a fair and equitable soil-conserving acreage for
4 the farm; and (3) that the producer shall not knowingly
5 exceed (i) any farm acreage allotment in effect for any
6 commodity produced on the farm, and (ii) except as the
7 Secretary may by regulations prescribe, with the farm acre-
8 age allotments on any other farm for any crop in which the
9 producer has a share: *Provided*, That no producer shall be
10 deemed to have exceeded a farm acreage allotment for wheat
11 if the entire amount of the farm marketing excess is delivered
12 to the Secretary or stored in accordance with applicable
13 regulations to avoid or postpone payment of the penalty.
14 *And provided further*, That no producer shall be deemed to
15 have exceeded a farm acreage allotment for any crop of
16 wheat if the farm is exempt from the farm marketing quota
17 for such crop under the small-farm exemption in section
18 335. The producers on a new farm shall not be eligible for
19 payments hereunder. The Secretary shall provide for the
20 sharing of payment among producers on the farm on a fair
21 and equitable basis. Payments may be made in cash or in
22 wheat.

23 “(c) The Secretary may provide for adjusting any pay-
24 ment on account of failure to comply with the terms and

1 conditions of the land-use program formulated under sub-
2 section (b) of this section.

3 “(d) Not to exceed 50 per centum of any payment to
4 producers under subsection (b) of this section may be made
5 in advance of determination of performance.

6 “(e) The program formulated pursuant to subsection
7 (b) of this section may include such terms and conditions,
8 in addition to those specifically provided for herein, as the
9 Secretary determines are desirable to effectuate the purposes
10 of this section.

11 “(f) The Secretary is authorized to promulgate such
12 regulations as may be desirable to carry out the provisions of
13 this section.

14 “(g) The Commodity Credit Corporation is authorized
15 to utilize its capital funds and other assets for the purpose of
16 making the payments authorized in this section and to pay
17 administrative expenses necessary in carrying out this sec-
18 tion during the period ending June 30, 1963. There is
19 authorized to be appropriated such amounts as may be
20 necessary thereafter to pay such administrative expenses.

21 “(h) Notwithstanding any other provision of law, per-
22 formance rendered in good faith in reliance upon action or
23 advice of an authorized representative of the Secretary may
24 be accepted as meeting the requirements of this section, or of

1 section 124 of the Agricultural Act of 1961 (75 Stat. 297–
2 298), and payment may be made therefor in accordance with
3 such action or advice to the extent the Secretary deems it
4 desirable in order to provide fair and equitable treatment.”

5 SEC. 319. Public Law 74, Seventy-seventh Congress (7
6 U.S.C. 1340), as amended, is hereby amended as follows:

7 (1) By amending paragraph (1) to read as fol-
8 lows:

9 “(1) The farm marketing quota for any crop of
10 wheat shall be the actual production of the acreage
11 planted to such crop of wheat on the farm less the farm
12 marketing excess. The farm marketing excess shall be
13 an amount equal to twice the normal yield of wheat per
14 acre established for the farm multiplied by the number
15 of acres of such crop of wheat on the farm in excess of
16 the farm acreage allotment for such crop unless the pro-
17 ducer, in accordance with regulations issued by the Sec-
18 retary and within the time prescribed therein, establishes
19 to the satisfaction of the Secretary the actual production
20 of such crop of wheat on the farm. If such actual pro-
21 duction is so established, the farm marketing excess shall
22 be an amount equal to the actual production of the num-
23 ber of acres of wheat on the farm in excess of the farm
24 acreage allotment for such crop. In determining the
25 farm marketing quota and farm marketing excess, any

1 acreage of wheat remaining after the date prescribed
2 by the Secretary for the disposal of excess acres of wheat
3 shall be included as acreage of wheat on the farm, and
4 the production thereof shall be appraised in such manner
5 as the Secretary determines will provide a reasonably
6 accurate estimate of such production. Any acreage of
7 wheat disposed of in accordance with regulations issued
8 by the Secretary prior to such date as may be pre-
9 scribed by the Secretary shall be excluded in determin-
10 ing the farm marketing quota and farm marketing excess.
11 Self-seeded (volunteer) wheat shall be included in de-
12 termining the acreage of wheat. Marketing quotas for
13 any marketing year shall be in effect with respect to
14 wheat harvested in the calendar year in which such mar-
15 keting year begins notwithstanding that the wheat is
16 marketed prior to the beginning of such marketing
17 year.”

18 (2) By amending paragraph (2) to read as fol-
19 lows:

20 “(2) Whenever farm marketing quotas are in effect
21 with respect to any crop of wheat, the producers on a
22 farm shall be subject to a penalty on the farm marketing
23 excess of wheat at a rate per bushel equal to 65
24 per centum of the parity price per bushel of wheat as of
25 May 1 of the calendar year in which the crop is har-

1 vested. Each producer having an interest in the crop
2 of wheat on any farm for which a farm marketing excess
3 of wheat is determined shall be jointly and severally
4 liable for the entire amount of the penalty on the farm
5 marketing excess."

6 (3) By inserting in paragraph (3) "twice" before
7 "the normal production" in the first and second sentences
8 thereof, and by inserting in the second sentence thereof
9 "twice the" between "of" and "normal" in the phrase
10 "upon the basis of normal production", by striking out
11 "corn and" from the first sentence thereof, and by strik-
12 ing out "corn or" from the last sentence thereof.

13 (4) By amending paragraph (4) to read as fol-
14 lows:

15 "(4) Until the producers on any farm store, deliver
16 to the Secretary, or pay the penalty on, the farm mar-
17 keting excess of any crop of wheat, the entire crop of
18 wheat produced on the farm and any subsequent crop of
19 wheat subject to marketing quotas in which the producer
20 has an interest shall be subject to a lien in favor of the
21 United States for the amount of the penalty."

22 (5) By striking out "corn or" from paragraph (5).

23 (6) By striking out "corn or" from paragraph (6).

1 (7) By repealing paragraph (7), and by renum-
2 bering paragraphs (8) through (11) as (7) through
3 (10), respectively.

4 (8) By striking out “corn or” and “, as the case
5 may be,” from paragraph (8), redesignated by this
6 section as paragraph (7), and adding at the end of
7 such paragraph the following sentence: “If the buyer
8 fails to collect such penalty, such buyer and all persons
9 entitled to share in the wheat marketed from the farm or
10 the proceeds thereof shall be jointly and severally liable
11 for such penalty.”

12 (9) By repealing paragraph (12), and by adding
13 the following new paragraphs to follow paragraph (11),
14 redesignated by this section as paragraph (10) :

15 “(11) The persons liable for the payment or col-
16 lection of the penalty on any amount of wheat shall
17 be liable also for interest thereon at the rate of 6 per
18 centum per annum from the date the penalty becomes
19 due until the date of payment of such penalty.

20 “(12) If marketing quotas for wheat are not in
21 effect for any marketing year, all previous marketing
22 quotas applicable to wheat shall be terminated, effective
23 as of the first day of such marketing year. Such termi-
24 nation shall not abate any penalty previously incurred

1 by a producer or relieve any buyer of the duty to remit
2 penalties previously collected by him.”

3 SEC. 320. Section 301 (b) (13) of the Agricultural
4 Adjustment Act of 1938, as amended, is amended—

5 (1) by striking out paragraph (A) ;

6 (2) by inserting in paragraphs (D) and (E) after
7 the words “in the case of rice” the words “and wheat”
8 and by inserting in said paragraphs after the words “per
9 acre of rice” the following: “or wheat, as the case may
10 be,”;

11 (3) by striking from paragraph (G) the following:

12 (A) “wheat,” in each of the two places it first occurs
13 therein; (B) “and, in the case of wheat, but not in the
14 case of corn, cotton, or peanuts, for trends in yields”;

15 (C) “ten calendar years in the case of wheat, and”; and

16 (D) “in the case of corn, cotton, or peanuts,”.

17 SEC. 321. Section 371 of the Agricultural Adjustment
18 Act of 1938, as amended, is hereby amended as follows:

19 (1) Subsection (a) is amended by deleting “corn,
20 wheat,” in the first sentence thereof.

21 (2) The first sentence of subsection (b) is amended
22 by striking out “any national acreage allotment for corn
23 or”, “wheat,” and “in order to effect the declared policy
24 of this Act or”.

25 SEC. 322. Section 385 of the Agricultural Adjustment

1 Act of 1938, as amended, is hereby amended by inserting in
 2 the first sentence after "parity payment," the following:
 3 "payment under section 339,".

4 SEC. 323. The amendments to the Agricultural Adjust-
 5 ment Act of 1938, as amended, and to Public Law 74,
 6 Seventy-seventh Congress, as amended, made by sections 310
 7 through 322 of this Act shall be in effect only with respect to
 8 programs applicable to the crops planted for harvest in the
 9 calendar year 1963 or any subsequent year and the market-
 10 ing years beginning in the calendar year 1963, or any sub-
 11 sequent year.

12 WHEAT MARKETING ALLOCATION PROGRAM

13 SEC. 324. Title III of the Agricultural Adjustment Act
 14 of 1938, as amended, is hereby amended (1) by designating
 15 subtitles D and E as subtitles E and F, respectively, and (2)
 16 by inserting after subtitle C a new subtitle D as follows:

17 "SUBTITLE D—WHEAT MARKETING ALLOCATION

18 "LEGISLATIVE FINDINGS

19 "SEC. 379a. Wheat, in addition to being a basic food,
 20 is one of the great export crops of American agriculture and
 21 its production for domestic consumption and for export is
 22 necessary to the maintenance of a sound national economy
 23 and to the general welfare. The movement of wheat from
 24 producer to consumer, in the form of the commodity or any

1 of the products thereof, is preponderantly in interstate and
2 foreign commerce. Unreasonably low prices of wheat to
3 producers impair their purchasing power for nonagricultural
4 products and place them in a position of serious disparity
5 with other industrial groups. The conditions affecting the
6 production of wheat are such that without Federal assist-
7 ance, producers cannot effectively prevent disastrously low
8 prices for wheat. It is necessary, in order to assist wheat
9 producers in obtaining fair prices, to regulate the price of
10 wheat used for domestic food and for exports in the manner
11 provided in this subtitle.

12 "WHEAT MARKETING ALLOCATION

13 "SEC. 379b. During any marketing year for which a
14 marketing quota is in effect for wheat, beginning with the
15 marketing year for the 1963 crop, a wheat marketing allo-
16 cation program shall be in effect as provided in this subtitle.
17 Whenever a wheat marketing allocation program is in effect
18 for any marketing year the Secretary shall determine (1)
19 the wheat marketing allocation for such year which shall
20 be the amount of wheat which will be used during such year
21 for human consumption in the United States, as food, food
22 products, and beverages, composed wholly or partly of wheat,
23 and that portion of the amount of wheat which will be
24 exported in the form of wheat or products thereof during the
25 marketing year on which the Secretary determines that

1 marketing certificates shall be issued to producers in order to
2 achieve, insofar as practicable, the price and income objec-
3 tives of this subtitle, and (2) the national allocation per-
4 centage which shall be the percentage which the national
5 marketing allocation is of the national marketing quota.
6 Each farm shall receive a wheat marketing allocation for
7 such marketing year equal to the number of bushels obtained
8 by multiplying the number of acres in the farm acreage
9 allotment for wheat by the normal yield of wheat for the
10 farm as determined by the Secretary, and multiplying the
11 resulting number of bushels by the national allocation per-
12 centage. If a noncommercial wheat-producing area is estab-
13 lished for any marketing year, farms in such area shall be
14 given wheat marketing allocations which are determined by
15 the Secretary to be fair and reasonable in relation to the
16 wheat marketing allocation given producers in the commer-
17 cial wheat-producing area.

18 "MARKETING CERTIFICATES

19 "SEC. 379c. (a) The Secretary shall provide for the is-
20 suance of wheat marketing certificates for each marketing
21 year for which a wheat marketing allocation program is in
22 effect for the purpose of enabling producers on any farm with
23 respect to which certificates are issued to receive, in addition
24 to the other proceeds from the sale of wheat, an amount equal
25 to the value of such certificates. The wheat marketing cer-

1 tificates issued with respect to any farm for any marketing
2 year shall be in the amount of the farm wheat marketing
3 allocation for such year, but not to exceed (i) the actual
4 acreage of wheat planted on the farm for harvest in the
5 calendar year in which the marketing year begins multiplied
6 by the normal yield of wheat for the farm, plus (ii) the
7 amount of wheat stored to avoid or postpone a marketing
8 quota penalty, which is released from storage during the
9 marketing year on account of underplanting or underproduc-
10 tion. The Secretary shall provide for the sharing of wheat
11 marketing certificates among producers on the farm on the
12 basis of their respective shares in the wheat crop produced
13 on the farm, or the proceeds therefrom.

14 “(b) No producer shall be eligible to receive wheat
15 marketing certificates with respect to any farm for any
16 marketing year in which a marketing quota penalty is
17 assessed for any commodity on such farm or in which the
18 farm has not complied with the land-use requirements of
19 section 339 to the extent prescribed by the Secretary, or in
20 which, except as the Secretary may by regulation prescribe,
21 the producer exceeds the farm acreage allotment on any
22 other farm for any commodity in which he has an interest
23 as a producer. No producer shall be deemed to have ex-
24 ceeded a farm acreage allotment for wheat if the entire
25 amount of the farm marketing excess is delivered to the

1 Secretary or stored in accordance with applicable regulations
2 to avoid or postpone payment of the penalty. No producer
3 shall be deemed to have exceeded the farm acreage allotment
4 for wheat on any other farm, if such other farm is exempt
5 from the farm marketing quota for such crop under the small-
6 farm exemption in section 335.

7 “(c) Whenever a wheat marketing allocation program
8 is in effect for any marketing year, the Secretary shall
9 determine and proclaim for such marketing year the face
10 value per bushel of marketing certificates. The face value
11 per bushel of marketing certificates shall be equal to the
12 amount by which the level of price support for wheat accom-
13 panied by certificates exceeds the level of price support for
14 wheat not accompanied by certificates (noncertificate
15 wheat).

16 “(d) Marketing certificates and transfers thereof shall
17 be represented by such documents, marketing cards, records,
18 accounts, certifications, or other statements or forms as the
19 Secretary may prescribe.

20 “MARKETING RESTRICTIONS

21 “SEC. 379d. (a) All persons are prohibited from acquir-
22 ing marketing certificates from the producer to whom such
23 certificates are issued, unless such certificates are acquired in
24 connection with the acquisition from such producer of a num-
25 ber of bushels of wheat equivalent to the marketing certifi-

1 cates. Marketing certificates shall be transferable only in
2 accordance with regulations prescribed by the Secretary.
3 Any unused certificates held by persons other than the pro-
4 ducer to whom such certificates are issued shall be purchased
5 by Commodity Credit Corporation. Notwithstanding the
6 foregoing provisions of this section, Commodity Credit Cor-
7 poration is authorized to purchase from producers certificates
8 not accompanied by wheat in cases where the Secretary
9 determines that it would constitute an undue hardship to
10 require the producer to transfer his certificates only in con-
11 nection with the disposition of wheat.

12 “(b) During any marketing year for which a wheat
13 marketing allocation program is in effect, (i) all persons
14 engaged in the processing of wheat into food products com-
15 posed wholly or partly of wheat shall, prior to marketing
16 any such product for human food in the United States, ac-
17 quire marketing certificates equivalent to the number of
18 bushels of wheat contained in such product, and (ii) all
19 persons exporting wheat or food products composed wholly
20 or partly of wheat shall prior to such export acquire market-
21 ing certificates equivalent to the number of bushels so
22 exported. Marketing certificates shall be valid to cover only
23 sales or exportations made during the marketing year with
24 respect to which they are issued, and after being once used
25 to cover a sale or export of a food product or an export of

1 wheat shall be void and shall be disposed of in accordance
2 with regulations prescribed by the Secretary.

3 “(c) Upon the giving of a bond or other undertaking
4 satisfactory to the Secretary to secure the purchase of and
5 payment for such marketing certificates as may be required,
6 and subject to such regulations as he may prescribe, any per-
7 son required to have marketing certificates in order to market
8 or export a commodity may be permitted to market any such
9 commodity without having first acquired marketing certifi-
10 cates.

11 “(d) As used in this subtitle, the term ‘food products’
12 means any product to be used for human consumption, in-
13 cluding beverage.

14 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
15 CERTIFICATES

16 “SEC. 379e. For the purpose of facilitating the purchase
17 and sale of marketing certificates, the Commodity Credit
18 Corporation is authorized to issue, buy, and sell marketing
19 certificates in accordance with regulations prescribed by the
20 Secretary. Such regulations may authorize the Corporation
21 to issue and sell certificates in excess of the quantity of cer-
22 tificates which it purchases. Such regulations may author-
23 ize the Corporation in the sale of marketing certificates to
24 charge, in addition to the face value thereof, an amount de-
25 termined by the Secretary to be appropriate to cover esti-

1 mated administrative costs in connection with the purchase
2 and sale of the certificates and estimated interest incurred on
3 funds of the Corporation invested in certificates purchased
4 by it.

5 "CONVERSION FACTORS

6 "SEC. 379f. The Secretary shall establish conversion
7 factors which shall be used to determine the amount of wheat
8 contained in any food product. The conversion factor for
9 any such food product shall be determined upon the basis of
10 the weight of wheat used in the manufacture of such product.

11 "AUTHORITY TO FACILITATE TRANSITION

12 "SEC. 379g. The Secretary is authorized to take such
13 action as he determines to be necessary to facilitate the tran-
14 sition from the program currently in effect to the program
15 provided for in this subtitle. Notwithstanding any other pro-
16 vision of this subtitle, such authority shall include, but shall
17 not be limited to, the authority to exempt all or a portion of
18 the wheat or food products made therefrom in the channels of
19 trade on the effective date of the program under this subtitle
20 from the marketing restrictions in subsection (b) of section
21 379d, or to sell certificates to persons owning such wheat or
22 food products at such prices as the Secretary may determine.
23 Any such certificate shall be issued by Commodity Credit
24 Corporation.

1 “REPORTS AND RECORDS

2 “SEC. 379h. This section shall apply to processors of
3 wheat, warehousemen and exporters of wheat and flour, and
4 all persons purchasing, selling, or otherwise dealing in wheat
5 marketing certificates. Any such person shall, from time to
6 time on request of the Secretary, report to the Secretary such
7 information and keep such records as the Secretary finds
8 to be necessary to enable him to carry out the provisions of
9 this subtitle. Such information shall be reported and such
10 records shall be kept in such manner as the Secretary shall
11 prescribe. For the purpose of ascertaining the correctness of
12 any report made or record kept, or of obtaining information
13 required to be furnished in any report, but not so furnished.
14 the Secretary is hereby authorized to examine such books.
15 papers, records, accounts, correspondence, contracts, docu-
16 ments, and memorandums as he has reason to believe
17 are relevant and are within the control of such person.

18 “PENALTIES

19 “SEC. 379i. (a) Any person who violates or attempts
20 to violate or who participates or aids in the violation of any
21 of the provisions of subsection (b) of section 379d of this
22 Act shall forfeit to the United States a sum equal to two
23 times the face value of the marketing certificates involved in

1 such violation. Such forfeiture shall be recoverable in a
2 civil action brought in the name of the United States.

3 “(b) Any person, except a producer in his capacity as
4 a producer, who violates or attempts to violate or who partic-
5 ipates or aids in the violation of any provision of this subtitle,
6 or of any regulation, governing the acquisition, disposition,
7 or handling of marketing certificates or who fails to make
8 any report or keep any record as required by section 379h
9 shall be deemed guilty of a misdemeanor and upon convic-
10 tion thereof shall be subject to a fine of not more than \$5,000
11 for each violation.

12 “(c) Any person who, in his capacity as a producer,
13 knowingly violates or attempts to violate or participates or
14 aids in the violation of any provision of this subtitle, or of
15 any regulation, governing the acquisition, disposition, or
16 handling of marketing certificates or fails to make any report
17 or keep any record as required by section 379h shall, (i) for-
18 feit any right to receive marketing certificates, in whole or in
19 part as the Secretary may determine, with respect to the
20 farm or farms and for the marketing year with respect to
21 which any such act or default is committed, or (ii), if such
22 marketing certificates have already been issued, pay to the
23 Secretary, upon demand, the amount of the face value of
24 such certificates, or such part thereof as the Secretary may
25 determine. Such determination by the Secretary with re-

1 spect to the amount of such marketing certificates to be
2 forfeited or the amount to be paid by such producer shall
3 take into consideration the circumstances relating to the act
4 or default committed and the seriousness of such act or de-
5 fault.

6 “(d) Any person who falsely makes, issues, alters,
7 forges, or counterfeits any marketing certificate, or with
8 fraudulent intent possesses, transfers, or uses any such falsely
9 made, issued, altered, forged, or counterfeited marketing cer-
10 tificate, shall be deemed guilty of a felony and upon con-
11 viction thereof shall be subject to a fine of not more than
12 \$10,000 or imprisonment of not more than ten years, or
13 both.

14 “REGULATIONS

15 “SEC. 379j. The Secretary shall prescribe such regula-
16 tions as may be necessary to carry out the provisions of this
17 subtitle including but not limited to regulations governing
18 the acquisition, disposition, or handling of marketing cer-
19 tificates.”

20 SEC. 325. The Agricultural Act of 1949, as amended,
21 is amended as follows:

22 (1) By inserting after section 106 the following
23 new section:

24 “SEC. 107. Notwithstanding the provisions of section
25 101 of this Act, beginning with the 1963 crop—

1 “(1) price support for wheat accompanied by
2 marketing certificates shall be at such level not less than
3 65 per centum or more than 90 per centum of the parity
4 price therefor as the Secretary determines appropriate
5 taking into consideration the factors specified in section
6 401 (b),

7 “(2) if marketing quotas are in effect for wheat
8 price support for wheat not accompanied by marketing
9 certificates shall be at such level as the Secretary deter-
10 mines appropriate taking into consideration competitive
11 world prices of wheat, the feeding value of wheat in
12 relation to feed grains, and the level at which price
13 support is made available for feed grains,

14 “(3) price support shall be made available only
15 to cooperators; and if a commercial wheat-producing
16 area is established for such crop, price support shall
17 be made available only in the commercial wheat-produc-
18 ing area,

19 “(4) price support for any crop of wheat for which
20 marketing quotas have been disapproved by producers
21 shall be at such level not to exceed 50 per centum of the
22 parity price therefor as the Secretary determines appro-
23 priate after consideration of the factors specified in
24 section 401 (b),

25 “(5) the level of price support for any crop of

1 wheat for which a national marketing quota is not pro-
2 claimed shall be as provided in section 101, and

3 “ (6) if marketing quotas are in effect for the crop
4 of wheat, a ‘cooperator’ with respect to any crop of
5 wheat produced on a farm shall be a producer who (i)
6 does not knowingly exceed (A) the farm acreage al-
7 lotment for wheat or any other commodity on the farm
8 or (B) except as the Secretary may by regulation pre-
9 scribe, the farm acreage allotment on any other farm
10 for any commodity in which he has an interest as a pro-
11 ducer, and (ii) complies with the land-use requirements
12 of section 339 of the Agricultural Adjustment Act of
13 1938, as amended, to the extent prescribed by the Sec-
14 retary. If marketing quotas are not in effect for the crop
15 of wheat, a ‘cooperator’ with respect to any crop of wheat
16 produced on a farm shall be a producer who does not
17 knowingly exceed the farm acreage allotment for wheat.
18 No producer shall be deemed to have exceeded a farm
19 acreage allotment for wheat if the entire amount of
20 the farm marketing excess is delivered to the Secre-
21 tary or stored in accordance with applicable regulations
22 to avoid or postpone payment of the penalty, but the
23 producer shall not be eligible to receive price support on
24 such marketing excess. No producer shall be deemed to
25 have exceeded the farm acreage allotment for wheat on

1 any other farm, if such other farm is exempt from the
2 farm marketing quota for such crop under the small-
3 farm exemption in section 335.”

4 (2) By changing the period at the end of the
5 third sentence in section 407 to a colon and adding the
6 following: “*Provided*, That if a commercial wheat mar-
7 keting allocation program is in effect, the current support
8 price for wheat shall be the support price for wheat ac-
9 companied by marketing certificate and wheat sold
10 shall be accompanied by a marketing certificate.”

11 (Second Alternate Program—Sections 326 Through 329)

12 SEC. 326. (a) If a majority of the farmers voting on
13 the question submitted pursuant to section 336(b) of the
14 Agricultural Adjustment Act of 1938, as amended, added by
15 section 316 of this Act, favor a two-year extension of the
16 program in effect for the 1962 crop of wheat, the provisions
17 of sections 326 through 329 of this Act shall be in effect in
18 lieu of the provisions of sections 310 through 325.

19 (b) Section 334(c) of the Agricultural Adjustment Act
20 of 1938, as amended, is amended by adding a new subpara-
21 graph (3) to read as follows:

22 “(3) Notwithstanding any other provision of law, each
23 old or new farm acreage allotment for the 1963 and 1964
24 crops of wheat as determined on the basis of a minimum
25 national acreage allotment of fifty-five million acres shall be
26 reduced by 10 per centum.”

1 SEC. 327. (a) In lieu of the provisions of item (1) of
2 Public Law 74, Seventy-seventh Congress, as amended (7
3 U.S.C. 1340 (1)), the following provisions shall apply to
4 the 1963 and 1964 crops of wheat:

5 “ (1) If a national marketing quota for wheat is in effect
6 for the marketing year, farm marketing quotas shall be in
7 effect for the crop of wheat which is normally harvested in
8 the calendar year in which such marketing year begins.
9 The farm marketing quota for such crop of wheat shall be
10 the actual production of the acreage planted to such crop of
11 wheat on the farm less the farm marketing excess. The
12 farm marketing excess shall be an amount equal to twice the
13 normal yield of wheat per acre established for the farm mul-
14 tiplied by the number of acres of such crop of wheat on the
15 farm in excess of the farm acreage allotment for such crop
16 unless the producer, in accordance with regulations pre-
17 scribed by the Secretary and within the time prescribed
18 therein, establishes to the satisfaction of the Secretary the
19 actual production of such crop of wheat on the farm. If such
20 actual production is so established, the farm marketing ex-
21 cess shall be such actual production less the actual production
22 of the farm wheat acreage allotment based upon the average
23 yield per acre for the entire wheat acreage on the farm:
24 *Provided, however,* That the farm marketing excess shall not
25 be larger than the amount by which the actual production,

1 so established, exceeds the normal production of the farm
2 wheat acreage allotment.”

3 (b) Notwithstanding the provisions of item (2) of
4 Public Law 74, Seventy-seventh Congress, as amended
5 (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the
6 1963 and 1964 crops shall be 65 per centum of the parity
7 price per bushel of wheat as of May 1 of the calendar year
8 in which such crop is harvested.

9 (c) In lieu of the provisions of item (3) of Public Law
10 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340
11 (3)), the following provisions shall apply to the 1963 and
12 1964 crops of wheat:

13 “(3) The farm marketing excess for wheat shall be re-
14 garded as available for marketing, and the penalty and the
15 storage amount or amounts of wheat to be delivered to the
16 Secretary shall be computed upon twice the normal produc-
17 tion of the excess acreage. If the farm marketing excess so
18 computed is adjusted downward on the basis of actual pro-
19 duction as heretofore provided the difference between the
20 amount of the penalty or storage computed on the basis of
21 twice the normal production and as computed on actual pro-
22 duction shall be returned to or allowed the producer or a
23 corresponding adjustment made in the amount to be de-
24 livered to the Secretary if the producer elects to make such
25 delivery. The Secretary shall issue regulations under which

1 the farm marketing excess of wheat for the farm shall be
2 stored or delivered to him. Upon failure to store, or deliver
3 to the Secretary, the farm marketing excess within such
4 time as may be determined under regulations prescribed by
5 the Secretary the penalty computed as aforesaid shall be paid
6 by the producer. Any wheat delivered to the Secretary
7 hereunder shall become the property of the United States and
8 shall be disposed of by the Secretary for relief purposes in
9 the United States or friendly foreign countries or in such
10 other manner as he shall determine will divert it from the
11 normal channels of trade and commerce."

12 (d) Item (7) of Public Law 74, Seventy-seventh Con-
13 gress, as amended (7 U.S.C. 1340 (7)), is amended to read
14 as follows:

15 "(7) A farm marketing quota on any crop of wheat
16 shall not be applicable to any farm on which, under regula-
17 tions prescribed by the Secretary, the actual acreage planted
18 to wheat for harvest of such crop does not exceed fifteen
19 acres: *Provided, however,* That a farm marketing quota on
20 the 1962, 1963, and 1964 crops of wheat shall be applicable
21 to any farm on which the acreage of wheat exceeds the
22 smaller of (1) thirteen and five-tenths acres, or (2) the
23 highest number of acres actually planted to wheat on the
24 farm for harvest in any of the calendar years 1959, 1960, or
25 1961."

1 (e) Section 336 of the Agricultural Adjustment Act of
2 1938, as amended (7 U.S.C. 1336), is amended by adding
3 at the end thereof the following: "Notwithstanding any other
4 provision hereof, (1) if the Secretary determines that two-
5 thirds or more of the farmers voting in the referendum on
6 marketing quotas held pursuant to section 336 (a) of this Act,
7 as amended by section 416 of the Food and Agriculture Act
8 of 1962, approve marketing quotas for the 1963 crop of
9 wheat, marketing quotas shall be in effect for the 1963 crop
10 of wheat, and (2) farmers who have not produced in excess
11 of thirteen and five-tenths acres of wheat in at least one of
12 the years 1959, 1960, or 1961, shall not be eligible to vote
13 in the referendum conducted with respect to the national mar-
14 keting quota for the marketing year beginning July 1, 1964."

15 SEC. 328. Price support for the 1963 and 1964 crops
16 of wheat shall be made available, as provided in section 101
17 of the Agricultural Act of 1949, as amended, except that
18 price support shall be made available only to cooperators,
19 only in the commercial wheat-producing area, and if market-
20 ing quotas are in effect for the crop of wheat, wheat of such
21 crop shall be eligible for price support only if the producers
22 on the farm on which the wheat is produced participate in
23 the special wheat program formulated under section 329 to
24 the extent prescribed by the Secretary.

25 SEC. 329. (a) If marketing quotas are in effect for the

1 1963 or 1964 crop of wheat, producers on any farm, except
2 a farm on which a new farm wheat allotment is established
3 for the crop, in the commercial wheat-producing area shall be
4 entitled to payments determined as provided in subsection
5 (b) upon compliance with the conditions hereinafter
6 prescribed:

7 (1) Such producers shall divert from the production of
8 wheat an acreage on the farm equal to either (i) 10 per
9 centum of the highest actual acreage of wheat planted on
10 the farm for harvest in any of the years 1959, 1960, or
11 1961: *Provided*, That such acreage in each of such year did
12 not exceed fifteen acres, or (ii) 10 per centum of the farm
13 acreage allotment for the crop of wheat which would be in
14 effect except for the reduction thereof as provided in section
15 334 (c) (3) of the Agricultural Adjustment Act of 1938,
16 as amended.

17 (2) Such diverted acreage shall be devoted to conserva-
18 tion uses including summer fallow, approved by the Secre-
19 tary, and such measures shall be taken as the Secretary may
20 deem appropriate to keep such diverted acreage free from
21 insects, weeds, and rodents: *Provided*, That such diverted
22 acreage may be devoted to castor beans, guar, safflower, sun-
23 flower, or sesame, if designated by the Secretary, subject to
24 the condition that no payment shall be made with respect
25 to diverted acreage devoted to any such commodity.

1 (3) The total acreage of cropland on the farm devoted
2 to soil-conserving uses, including summer fallow and idle
3 land, but excluding the acreage diverted as provided above
4 and acreage diverted under the special program for feed
5 grains, shall not be less than the total average acreage of
6 cropland devoted to soil-conserving uses including summer
7 fallow and idle land on the farm in 1959 and 1960. Certifi-
8 cation by the producer with respect to such acreage may be
9 accepted as evidence of compliance with the foregoing pro-
10 vision. The total average acreage devoted to soil-conserving
11 uses, including summer fallow and idle land, in 1959 and
12 1960, shall be subject to adjustment to the extent the Secre-
13 tary determines appropriate for abnormal weather conditions
14 or other factors affecting production, established crop-rotation
15 practices on the farm, changes in the constitution of the
16 farm, participation in other Federal farm programs, or to
17 give effect to the provisions of law relating to release and
18 reapportionment or preservation of history.

19 (4) If the diversion of acreage is made pursuant to the
20 provisions of (1) (i) of this subsection (a), the actual
21 acreage of wheat planted on the farm for harvest shall not
22 exceed 90 per centum of the highest actual acreage of wheat
23 planted on the farm for harvest in any of the years 1959,
24 1960, or 1961; and if the diversion of acreage is made pur-
25 suant to the provisions of (1) (ii) of this subsection (a),

1 the farm shall be in compliance with the farm wheat acreage
2 allotment.

3 (b) (1) Upon compliance with the conditions pre-
4 scribed in subsection (a) producers on the farm shall be
5 entitled to payments which shall be made by Commodity
6 Credit Corporation in cash or wheat equal to 45 per centum
7 of the value, at the estimated basic county support rate per
8 bushel for Number 1 wheat for the county in which the
9 farm is considered as being located for the administration of
10 farm marketing quotas for wheat, of the number of bushels
11 equal to the adjusted yield per acre of wheat for the farm,
12 multiplied by the number of diverted acres other than acres
13 devoted to castor beans, guar, safflower, sunflower, or sesame.

14 (2) The Secretary may make such adjustments in yields
15 for the 1959 and 1960 crop years as he determines necessary
16 to correct for abnormal factors affecting production, and to
17 give due consideration to tillable acreage, crop rotation prac-
18 tices, type of soil, soil and water conservation measures, and
19 topography. To the extent that a producer proves the actual
20 yields for the farm for the 1959 and 1960 crop years, such
21 yields shall be used in making determinations.

22 (3) The Secretary shall provide by regulations for the
23 sharing of payments among producers on the farm on a fair
24 and equitable basis. The medium of payment shall be de-
25 termined by the Secretary. If payments are made in wheat,

1 the value of the payments in cash shall be converted to wheat
2 at the market price of wheat as determined by Commodity
3 Credit Corporation. Wheat received as payment-in-kind may
4 be marketed without penalty but shall not be eligible for price
5 support.

6 (c) (1) Producers who divert acreage on the farm
7 under subsection (a) may divert additional acreage on the
8 farm not in excess of the larger of three times the amount
9 diverted under subsection (a) or such acreage as will bring
10 the total acreage diverted to ten acres: *Provided*, That the
11 total acreage diverted under subsection (a) and this sub-
12 section (c) shall not exceed the larger of (i) the highest
13 actual acreage of wheat planted on the farm for harvest for
14 any of the years 1959, 1960, 1961, but not to exceed ten
15 acres or (ii) the wheat acreage allotment.

16 (2) Payments shall be made with respect to the acreage
17 diverted under this subsection (c) in accordance with the
18 terms and conditions prescribed in subsection (a) : *Provided*,
19 That (i) 60 per centum shall be substituted for 45 per
20 centum in computing the amount of the payment, (ii) the
21 acreage diverted under this subsection (c) shall be added to
22 and deemed to be acreage diverted under subsection (a) for
23 the purposes of paragraphs (2) and (3) of subsection (a),
24 and (iii) if the diversion under subsection (a) is made

1 pursuant to (1) (i) of said subsection, the actual acreage
2 planted to wheat for harvest on the farm, shall be reduced
3 below the highest actual acreage of wheat planted on the
4 farm for harvest in any of the years 1959, 1960, or 1961, by
5 the total amount of acres diverted under subsection (a) and
6 this subsection (c), or, if the diversion under subsection (a)
7 is made pursuant to (1) (ii) of said subsection, the wheat
8 acreage on the farm shall be reduced by the total amount of
9 acres diverted under subsection (a) and this subsection (c)
10 below whichever of the following acreages is the larger—

11 (A) the farm acreage allotment for the crop of
12 wheat which would be in effect except for the reduction
13 thereof as provided in section 334 (c) (3) of the Agri-
14 cultural Adjustment Act of 1938, as amended;

15 (B) the highest actual acreage of wheat planted on
16 the farm for harvest for any of the years 1959, 1960, or
17 1961, but not to exceed fifteen acres.

18 (d) Any acreage diverted from the production of wheat
19 to conservation uses for which payment is made under the
20 program formulated pursuant to this section shall be in ad-
21 dition to any acreage diverted to conservation uses for which
22 payment is made under any other Federal program except
23 that the foregoing shall not preclude the making of cost-
24 sharing payments under the agricultural conservation pro-

1 gram or the Great Plains program for conservation practices
2 carried out on any acreage devoted to soil-conserving uses
3 under the program formulated pursuant to this section.

4 (e) The Secretary may provide for adjusting any pay-
5 ment on account of failure to comply with the terms and
6 conditions of the program formulated under this section.

7 (f) Not to exceed 50 per centum of any payment to
8 producers under this section may be made in advance of
9 determination of performance.

10 (g) The program formulated pursuant to this section
11 may include such terms and conditions, in addition to those
12 specifically provided for herein, as the Secretary determines
13 are desirable to effectuate the purposes of this section.

14 (h) Wheat stored to avoid or postpone a marketing
15 quota penalty under the Agricultural Adjustment Act of
16 1938, as amended and supplemented, shall not be released
17 from storage for underplanting based upon acreage diverted
18 under subsection (c) above, and in determining production
19 of the crop of wheat for the purpose of releasing wheat from
20 storage on account of underproduction the normal yield of
21 the acres diverted from the allotment shall be deemed to be
22 actual production of wheat.

23 (i) The Secretary is authorized to promulgate such
24 regulations as may be necessary to carry out the provisions
25 of this section.

1 (j) The Commodity Credit Corporation is authorized to
2 utilize its capital funds and other assets for the purpose of
3 making the payments authorized herein and to pay adminis-
4 trative expenses necessary in carrying out this section during
5 the period ending June 30, 1963. There is authorized to
6 be appropriated such amounts as may be necessary to pay
7 such administrative expenses.

8 (k) Section 334 (e) of the Agricultural Adjustment
9 Act of 1938, as amended, relating to increased allotments
10 for durum wheat, is amended—

11 (1) by striking out “after reduction in the case of
12 the 1962 crop as required by section 334 (c) (2)” and
13 inserting the following: “after reduction as required by
14 section 334 (c) (2) or (3)”, and

15 (2) by striking out “the special 1962 wheat pro-
16 gram formulated under section 124 of the Agricultural
17 Act of 1961” and inserting the following: “the special
18 wheat program for such crop formulated under section
19 124 of the Agricultural Act of 1961 or section 329 of
20 the Food and Agricultural Act of 1962”.

21 (l) Section 334 (i) of the Agricultural Adjustment
22 Act of 1938, as amended, relating to increased allotments in
23 the Tulalake area in California, is amended—

24 (1) by inserting the following sentence immediately
25 following the seventh sentence thereof: “The special

1 wheat program formulated under section 329 of the
2 Food and Agriculture Act of 1962 shall not be appli-
3 cable to any farm receiving an additional allotment un-
4 der this subsection.”; and

5 (2) by striking out of the last sentence the follow-
6 ing: “or 1963”.

7 TITLE IV—GENERAL PROVISIONS

8 SEC. 401. The Consolidated Farmers Home Administra-
9 tion Act of 1961 (75 Stat. 307) is amended as follows:

10 (1) By striking out the period at the end of sec-
11 tion 304 and inserting a comma and the following:
12 “including recreational uses and facilities.”;

13 (2) By inserting in section 306 (a) after “soil con-
14 servation practices,” the following: “shifts in land-
15 use including the development of recreational facilities,”;
16 and by inserting after the word “drainage” the words
17 “or sewer”;

18 (3) By striking out in section 309 (f) (1) the
19 figure “\$10,000,000” and inserting in lieu thereof the
20 figure “\$25,000,000”; and

21 (4) By inserting in section 312 after the words
22 “and conservation” the words “including recreational
23 uses and facilities”.

24 SEC. 402. Subsections (a) and (b) of section 3 of the
25 Rural Electrification Act of 1936, as amended (7 U.S.C.

1 903), be and the same are hereby amended to read as
2 follows:

3 “SEC. 3. (a) There are authorized to be appropriated,
4 for the purposes of this Act, such sums as the Congress
5 may from time to time determine to be necessary.

6 “(b) When authorized by Congress, the Administrator
7 is authorized, with the approval of the Secretary of Agricul-
8 ture, to make and issue notes to the Secretary of the Treasury
9 for the purpose of obtaining funds in such amounts as the
10 Congress may approve annually in appropriation Acts for
11 making loans under titles I and II of this Act. Such notes
12 shall be in such form and denominations and be subject to
13 such terms and conditions as may be prescribed by the Ad-
14 ministrator with the approval of the Secretary of the
15 Treasury. Such notes shall bear interest at a rate fixed by
16 the Secretary of the Treasury not in excess of the rate pro-
17 vided for in sections 4 and 5 of this Act. The Secretary of
18 the Treasury is authorized and directed to purchase any notes
19 of the Administrator issued hereunder, and for that purpose
20 the Secretary of the Treasury is authorized to use as a public
21 debt transaction the proceeds from the sale of any securities
22 issued under the Second Liberty Bond Act, as amended, and
23 the purposes for which such securities may be issued under
24 such Act, as amended, are extended to include the purchase
25 of notes issued by the Administrator. All redemptions, pur-

1 chases, and sales by the Secretary of the Treasury of such
2 notes shall be treated as public debt transactions of the
3 United States.

4 “The appropriations for loans made under the authority
5 of subsection (a) and funds obtained in accordance with the
6 preceding paragraph of this subsection and the unexpended
7 balances of any funds available on the date of enactment of
8 the Food and Agriculture Act of 1962 for loans under this
9 Act, including any funds made available for loans under
10 the item ‘Rural Electrification Administration’, in the Depart-
11 ment of Agriculture appropriation Acts current on such date
12 of enactment, shall be merged into a single account hereafter
13 in this section called the ‘loan account’. All notes, bonds,
14 obligations, and property, including those now held by the
15 Administrator on behalf of the Secretary of the Treasury,
16 and all collections therefrom, made or held under the loan
17 provisions of titles I and II of this Act, shall be assets of said
18 account.

19 “The notes of the Administrator issued to the Secretary
20 of the Treasury under titles I and II of this Act, and all other
21 liabilities against the appropriations or assets in the loan
22 account shall be liabilities of said account, and all other obli-
23 gations against such appropriations or assets shall be obli-
24 gations of said account. Moneys in the loan account shall also
25 be available for interest and principal repayments on notes

1 issued by the Administrator to the Secretary of the Treasury.
2 Otherwise, the balances in said account shall remain available
3 to the Administrator for loans under titles I and II of this
4 Act and for advances in connection therewith, except that no
5 such loans shall be made in any year in excess of the amounts
6 previously authorized therefor in appropriation Acts for such
7 year or available pursuant to subsection (e) of this section.
8 The amounts so authorized for loans and advances shall
9 remain available until expended.”

10 SEC. 403. Subsection (f) of section 3 of the Rural Elec-
11 trification Act, as amended, is repealed.

12 SEC. 404. If any provision of this Act is declared un-
13 constitutional, or the applicability thereof to any person or
14 circumstance is held invalid, the validity of the remainder of
15 this Act and the applicability thereof to other persons and
16 circumstances shall not be affected thereby.

17 TITLE V—INDUSTRIAL USES OF AGRICULTURAL 18 PRODUCTS

19 DECLARATIONS AND FINDINGS

20 SEC. 501. The Congress of the United States hereby
21 makes the following declarations and findings concerning
22 the development of new and improved uses for farm products,
23 new crops to replace those now in surplus, and the disposal
24 of surplus commodities owned by the Government:

25 (a) Farms in the United States have a capacity to

1 produce more farm products than can now be marketed
2 at prices that will return sufficient incomes to farmers to
3 maintain an efficient and progressive agricultural industry;

4 (b) A prosperous agriculture will contribute immensely
5 to national welfare by efficient production of needed food,
6 feed, and fiber by provision of raw materials for the trans-
7 portation and processing industries, by purchases of produc-
8 tion supplies, and by its contribution to maintenance of a
9 balanced and high-level national economy;

10 (c) National defense and security interests of the
11 United States require protection of agricultural resources
12 against deterioration and the maintenance of high productive
13 capacity in order to meet possible emergency needs of the
14 United States and other friendly nations;

15 (d) Basic research in agricultural products and their
16 uses is essential in any long-range program of benefit to
17 agriculture;

18 (e) Research programs to develop new and improved
19 uses for farm products and new farm products have poten-
20 tialities for providing outlets for a larger volume of farm
21 production and greater stability of the prices of farm
22 commodities;

23 (f) Public and private research agencies, including the
24 Departments of Agriculture and Commerce, the land-grant
25 colleges, other universities and research institutions, as well

1 as private firms, can and should be utilized for an all-out
2 attack on development of new and improved uses, and new
3 and extended markets and outlets for farm products and by-
4 products. Research, pilot plant, development and trial com-
5 mercialization work and corollary economic and related
6 studies should be devoted to the expansion of industrial uses
7 for agricultural commodities in surplus, and to any food and
8 feed uses and replacement crops that can make substantial
9 contributions toward the solution of the surplus problem.
10 Facilities should be established as needed to permit adequate
11 experimentation and testing, and production and market
12 development, of promising new uses and new products;

13 (g) Development of new and improved industrial and
14 other uses of farm products and new farm products and new
15 and extended markets and outlets for farm products and by-
16 products will enlarge income opportunities for farmers. It
17 also will reduce Government costs for acquisition, storage,
18 and ultimate disposition of commodities now in surplus;

19 (h) Disposition of a portion of the surplus stocks of the
20 Commodity Credit Corporation through industrial channels
21 for new or byproduct uses, so that the carryover of any com-
22 modity beyond the needs of the Nation can be reduced, will
23 have a stabilizing effect on the market prices for farm com-
24 modities.

1 AGRICULTURAL RESEARCH AND INDUSTRIAL USE
2 ADMINISTRATION

3 SEC. 502. There is created and established in the De-
4 partment of Agriculture an agency of the United States to be
5 known as the Agricultural Research and Industrial Use Ad-
6 ministration, all of the powers of which shall be exercised
7 by an Administrator, under the general direction and super-
8 vision of the Secretary of Agriculture, who shall be appointed
9 by the President, by and with the advice and consent of the
10 Senate, for a term of six years and who shall receive basic
11 compensation at the rate of \$20,000 per annum. The duties
12 of this agency shall be to coordinate and expedite efforts
13 to develop, through research, new industrial uses, and in-
14 creased use under existing processes, of agricultural products;
15 to develop new replacement crops; and to reduce the stocks
16 of commodities owned by the Commodity Credit Cor-
17 poration.

18 SALARIES

19 SEC. 503. The positions of the three Deputy Adminis-
20 trators of the agency shall be in grade GS-18 of the General
21 Schedule established by the Classification Act of 1949, as
22 amended. Such positions shall be in addition to the num-
23 ber of positions authorized to be placed in such grade by sec-
24 tion 505 (b) of such Act. The agency is authorized to fix the
25 compensation, notwithstanding other provisions of law, for

1 not more than ten positions which require the services of
2 especially qualified scientific or professional personnel: *Pro-*
3 *vided*, That the rates of basic compensation for positions
4 established pursuant to this provision shall not exceed the
5 maximum payable under the Act of August 1, 1947 (61
6 Stat. 715), as amended and supplemented. The agency may
7 appoint and fix the compensation of any technically qualified
8 person, firm, or organization by contract or otherwise on a
9 temporary basis and for a term not to exceed six months in
10 any fiscal year to perform research, technical, or other special
11 services, without regard to the civil service laws or the
12 Classification Act of 1949, as amended.

13 POWERS AND DUTIES

14 SEC. 504. The agency shall have power and authority,
15 within the limits of the funds made available to it, to coordi-
16 nate and expedite activities toward research, pilot plant, de-
17 velopment, trial commercialization, and industrial uses, with
18 Federal and State Governments, educational institutions, pri-
19 vate research organizations, trade associations, individuals,
20 and industrial corporations in expanding the industrial utiliza-
21 tion of the products of farm and forest and the development
22 of new crops. In the discharge of these duties, the agency is
23 authorized to:

24 (a) Make use of the facilities of the Department of Agri-

1 culture and other Federal departments and agencies, land-
2 grant institutions, and experiment stations. The agency
3 shall utilize existing facilities owned or controlled by the
4 Federal Government to the greatest extent practicable, in-
5 cluding pilot plants, regional laboratories, and other facilities
6 and equipment, and is authorized to utilize authority now
7 available to the Secretary of Agriculture under existing law;

8 (b) Make grants, for periods not to exceed five years
9 duration, to State agricultural experiment stations, colleges,
10 universities, and other research institutions and individuals;

11 (c) Contract with foreign individuals, organizations,
12 institutions of learning, or private corporations where pay-
13 ment can be made in foreign currency accumulated under
14 Public Law 480, Eighty-third Congress. The agency is
15 hereby authorized to utilize such foreign currencies notwith-
16 standing other provisions of law requiring reimbursement;

17 (d) Make contracts or cooperative arrangements in the
18 manner provided by sections 10 (a) and 205 of the Act of
19 August 14, 1946 (7 U.S.C. 427i, 1624), including con-
20 tracts and agreements providing for the commercialization,
21 market acceptance, and the economic feasibility of industrial
22 utilization in the competitive market for agricultural products
23 and processes with respect thereto;

24 (e) Extend suitable incentives to farmers or to industry

1 to hasten the establishment of a new crop or of a new in-
2 dustrial use, where such appear likely to lead to durable ad-
3 ditional markets;

4 (f) Direct the Commodity Credit Corporation to make
5 delivery of any of its stocks of commodities to agencies of the
6 Government, persons, or corporations designated by the
7 agency where such stocks are to be used for (1) research,
8 (2) pilot plant operation, (3) trial commercialization, (4)
9 export of manufactured products, or (5) new or byproduct
10 uses. The Commodity Credit Corporation, with respect to
11 commodities thus requisitioned by the agency, shall pay
12 necessary handling and delivery charges to the destination
13 directed by the agency. Such sums of money as the agency
14 shall receive, if any, on such transfers of commodities, shall
15 be turned over to the Commodity Credit Corporation;

16 (g) Make contracts or leases for the private operation
17 of any property or facilities transferred from another Gov-
18 ernment agency pursuant to this title or other legislative
19 authority;

20 (h) Make loans or grants to those with whom con-
21 tracts or other arrangements are entered into, for the purpose
22 of providing assistance in the acquisition or expansion of
23 facilities and equipment for research or development activi-
24 ties;

25 (i) Provide in all contracts for the disposition of inven-

1 tions produced thereunder in a manner calculated to protect
2 the public interest and the equities of the individual or
3 organization with which the contract or other arrangement
4 is executed: *Provided, however,* That nothing herein shall be
5 construed to authorize the agency to enter into any con-
6 tractual or other arrangement inconsistent with any pro-
7 vision of law affecting the issuance or use of patents;

8 (j) Grant exclusive licenses with or without payment
9 of royalty for a fixed period of not to exceed five years for
10 the use of patents under the control of the Department of
11 Agriculture;

12 (k) Pay incentive awards to private citizens for suitable
13 and acceptable suggestions to implement the program estab-
14 lished by this title, such payments to be made in accordance
15 with previously published rules stating the amounts of,
16 criteria for determining, and subjects of, such awards; and

17 (l) Test production procedures on a commercial basis,
18 maintain and operate manufacturing facilities where neces-
19 sary to prove the commercial feasibility of volume production
20 and to build, purchase, or lease plant facilities, or necessary
21 equipment suitable for manufacturing needs.

22 TRANSFER OF GOVERNMENT PLANTS

23 SEC. 505. Notwithstanding any other provision of law,
24 any Government agency holding any Government-owned
25 facility useful in the program authorized by this title is au-

1 thorized to transfer such facility to the agency, for use in the
2 program, if requested to do so by the agency: *Provided*, That
3 such transfer has the approval of the Director of the Bureau
4 of the Budget. The agency is authorized to exercise, with
5 respect to the facilities transferred, all of the authority vested
6 in the agencies transferring such facilities. At the time of
7 such transfer, funds and personnel related to the operation
8 or administration of such facilities, shall, with the approval
9 of the Director of the Bureau of the Budget, also be trans-
10 ferred to the agency.

11 DEFINITION OF "AGRICULTURAL PRODUCTS"

12 SEC. 506. The terms "agricultural products" and "farm
13 and forest products" as used in this title shall have the same
14 meaning as the term "agricultural products" in section 207
15 of the Act of August 14, 1946 (7 U.S.C. 1626).

16 ANNUAL REPORT

17 SEC. 507. The Administrator shall present annually to
18 the Congress not later than the 20th day of January in each
19 year a full report of his activities under this title.

20 SAVINGS PROVISION

21 SEC. 508. The authorities under this title are in addi-
22 tion to and not in substitution for authorities otherwise avail-
23 able under existing law.

APPROPRIATIONS

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2

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4

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. ELLENDER

APRIL 27, 1962

Read twice and placed on the calendar

"Whereas there exist many statutes discriminating against women which tend to lower the Nation's prestige and status in the world community; and

"Whereas all citizens of our Nation should not only share equal civil rights but also equal legal rights, the view embraced by both major political parties in their respective platforms: Now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation presenting to the States a proposed constitutional amendment concerning equal legal rights for women; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of the Congress, and to the Members thereof from this Commonwealth."

(The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on the Judiciary.)

By Mr. SALTONSTALL (for himself and Mr. SMITH of Massachusetts): Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PROVIDE FOR THE ESTABLISHMENT OF A CIVILIAN CONSERVATION CORPS

"Whereas there is a great number of boys from ages 16 to 21 who have completed their schooling and are unemployed; and who should be employed in constructive work or in acquiring new skills or trades; and

"Whereas idleness among boys is apt to result in increased delinquency; and

"Whereas it would be advantageous for the boys and for our country to have these boys living under healthful, sanitary conditions, and subject to organized discipline: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urge the Congress of the United States to enact legislation providing for the establishment of a new Civilian Conservation Corps; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to each Member thereof from this Commonwealth."

(The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Labor and Public Welfare.)

By Mr. SALTONSTALL (for himself and Mr. SMITH of Massachusetts): Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Public Works:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION EXTENDING FINANCIAL AID TO THE COMMONWEALTH OF MASSACHUSETTS FOR PURIFICATION OF THE WATERS OF THE MERRIMACK RIVER

"Whereas the pollution of the waters of the Merrimack River continues to be a danger to the health and welfare of all the inhabitants of the Merrimack River Valley; and

"Whereas the joint effort and financial assistance of the Federal and State governments are required in order to accomplish the monumental task of purifying the Merrimack River: Now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation extending financial aid to the Common-

wealth for the purification of the waters of the Merrimack River; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States to the presiding officer of each branch of Congress, and to each member thereof from this Commonwealth."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Public Works.

PROPOSAL FOR FLOYD BENNETT COMMEMORATIVE STAMP—RESOLUTION

Mr. KEATING. Mr. President, New York is proud of one of its native sons, Floyd Bennett, who attained worldwide recognition as the first pilot to fly over the North Pole with Rear Adm. Richard E. Byrd on May 9, 1926. The chamber of commerce of the town of Warrensburg has honored him by erecting a bronze plaque in the town park named for him, and the Nation as a whole should honor, posthumously, this world famous aviation pioneer.

The Warrensburg Chamber of Commerce, at a recent meeting, adopted a resolution calling for the issuance of an airmail commemorative stamp honoring Floyd Bennett, and I have asked Post Office officials here in Washington to give every consideration to including such a stamp in the Department's stamp program for this year.

Mr. President, I ask unanimous consent to have the resolution adopted by the Warrensburg Chamber of Commerce inserted in the Record at the end of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Floyd Bennett, a native son of Warrensburg, N.Y., attained national and worldwide fame and recognition as an aircraft pilot and primarily in his capacity as pilot for Rear Adm. Richard E. Byrd in the first flight over the North Pole on May 9, 1926; and

Whereas this chamber of commerce of the town of Warrensburg, N.Y., firmly believes that as this community has honored him by erecting a bronze plaque in our town park named for him, the Nation as a whole should honor, posthumously, this world famous American pioneer: Now, therefore, be it

Resolved, That the Warrensburg Chamber of Commerce, at a regular meeting thereof, recommends and supports the issuance of a commemorative airmail postage stamp in memory of the aforementioned Floyd Bennett; and be it further

Resolved, That this chamber of commerce petition the representative bodies of the Federal Government and the Post Office Department to issue such airmail stamp; and be it further

Resolved, That the Warrensburg, N.Y., post office be designated as the office of first-day sales and the postmarking of first-day covers of such said airmail stamp; and be it further

Resolved, That this chamber of commerce solicit the aid of the town board, the various town and county organizations, the churches, schools, and the general public in promoting this project; and be it further

Resolved, That this resolution be given publicity in all possible mediums and that it become a part of the permanent minutes of this chamber of commerce; and be it further

Resolved, That this resolution shall become effective immediately.

Dated at Warrensburg, N.Y., this 14th day of February 1962.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2806. A bill to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended (Rept. No. 1366); and

S.J. Res. 137. Joint resolution to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes (Rept. No. 1371).

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

S. 3099. A bill to authorize an adequate White House Police force, and for other purposes (Rept. No. 1367);

S. 3156. A bill to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes (Rept. No. 1369);

S. 3157. A bill to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired (Rept. No. 1370); and

H.R. 8355. An act to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes (Rept. No. 1364).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 3123. A bill to provide an office building for the Housing and Home Finance Agency (Rept. No. 1368).

FOOD AND AGRICULTURE ACT OF 1962—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS (S. REPT. NO. 1365)

Mr. ELLENDER. Mr. President, I send to the desk an original bill reported by the Committee on Agriculture and Forestry which is a complete substitute for the bill introduced by me in the early part of February, together with a report thereon. I ask unanimous consent that the report, together with the supplemental views of Senators HART, MCCARTHY, YOUNG of Ohio, and NEUBERGER, be printed.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Louisiana.

The bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to

conserve national resources, and for other purposes; was read twice by its title, and ordered to be placed on the calendar.

REPORT ENTITLED "TRADING WITH THE ENEMY ACT"—INDIVIDUAL VIEWS (S. REPT. NO. 1363)

Mr. JOHNSTON. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to submit a report entitled "Trading With the Enemy Act," pursuant to Senate Resolution 60, 87th Congress, 1st session, as extended, together with the individual views of the Senator from New York [Mr. KEATING].

I ask unanimous consent that the report, together with the individual views of the Senator from New York [Mr. KEATING] be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, as requested by the Senator from South Carolina.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 3225. A bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve national resources, and for other purposes; placed on the calendar.

(See the remarks of Mr. ELLENDER when he reported the above bill, which appear under a separate heading.)

By Mr. PASTORE:

S. 3226. A bill for the relief of Anthony F. Bernardo and Ambrose A. Cerrito; to the Committee on the Judiciary.

By Mr. KEATING:

S. 3227. A bill for the relief of Young Wai; to the Committee on the Judiciary.

RESOLUTION

TO PRINT AS A SENATE DOCUMENT A LEGISLATIVE HISTORY OF H.R. 6775, 87TH CONGRESS

Mr. ENGLE submitted the following resolution (S. Res. 334); which was referred to the Committee on Rules and Administration:

Resolved, That a compilation of materials constituting a legislative history of H.R. 6775 of the 87th Congress (a bill to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences) be printed as a Senate document, and that there be printed two thousand additional copies of such document for the use of the Senate Committee on Commerce.

EXTENSION OF REGULATORY AUTHORITY UNDER CONVENTION FOR THE ESTABLISHMENT OF AN INTER-AMERICAN TROPICAL TUNA COMMISSION — AMENDMENT

Mr. ENGLE. Mr. President, on September 18, 1961, the distinguished chair-

man of the Committee on Commerce [Mr. MAGNUSON], at the request of the Secretary of State, introduced the bill, S. 2568, to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes.

Since the introduction of S. 2568, the Department of State has reviewed the matter and has concluded that certain changes in the text of this proposed legislation would be desirable.

Accordingly, on behalf of myself and the Senator from Washington [Mr. MAGNUSON], I submit, by request, an amendment in the nature of a substitute for S. 2568, embodying the text of the language now suggested by the Department. I ask that it be printed and appropriately referred, and that a letter from the Secretary of State with accompanying memorandum be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Commerce; and, without objection, the letter and accompanying memorandum will be printed in the RECORD.

The letter and memorandum presented by Mr. ENGLE are as follows:

THE SECRETARY OF STATE,
Washington, April 20, 1962.

THE VICE PRESIDENT,
U.S. Senate.

DEAR Mr. VICE PRESIDENT: By letter of September 14, 1961, the Department forwarded the text of proposed legislation "To amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, and for other purposes." In due course this proposed legislation was referred to the Senate Committee on Commerce and introduced as S. 2568. In the meantime, the Department, having had this matter under review, has concluded that certain changes in the text of this proposed legislation would be desirable. The changes desired are indicated by the enclosed text of S. 2568 which incorporates and underscores the proposed changes. An explanatory summary accompanies this text. In brief, the changes in question are dictated by need for clarification and refinement and to rectify certain oversights in the original text of S. 2568.

It is respectfully requested that S. 2568 be amended as indicated.

The Bureau of the Budget advises that there is no objection to this proposal.

Sincerely yours,

DEAN RUSK.

(Enclosure: S. 2568, revised with accompanying summary.)

SUMMARY OF PURPOSES OF PRINCIPAL PROPOSED CHANGES IN S. 2568

1. Section 2 of S. 2568 (sec. 6(c) of Tuna Conventions Act) is amended to:

- (a) Delete unnecessary wording;
- (b) Authorize the Secretary of the Interior, after consultation with the Secretary of State and the U.S. Commissioners, to suspend the applicability of conservation regulations to U.S. vessels and nationals when a substantial degree of international noncooperation in the conservation program makes this advisable.

(c) Shift from the Secretary of the Treasury to the Secretary of the Interior the responsibility for decision with respect to whether a condition exists for the applicability of an embargo on tuna caught in the regulatory area. The former, through the Bureau of Customs, would, however, enforce any such embargo at ports of entry;

(d) Include American Samoa within the scope of any embargo on landing of tuna caught in the regulatory area;

(e) Shift the emphasis from the mere promulgation of conservation regulations by nonmembers of the Inter-American Tropical Tuna Commission to the manner in which the fishing is done. Hence, an embargo on tuna, where appropriate, could not be circumvented by simply promulgating regulations and neglecting to enforce them;

(f) Close a loophole for circumventing an embargo which would exist if the ports of a country might be used by the nationals and vessels of another country to transship tuna to the United States;

(g) Clarify the intent to prohibit, in certain circumstances, the import only of the species of tuna under conservation management caught in the regulatory area, rather than all species of tuna caught by the country concerned in the said area.

2. The change noted in paragraph 1(c) above necessitates a consequential change in section 4 of S. 2568 (sec. 8(c) of Tuna Conventions Act) which is also further revised for clarification.

3. Section 4 of S. 2568 (sec. 8(g) of Tuna Conventions Act) is amended to limit the forfeiture feature to the cargo of tuna. This change is not expected to present any difficulty with respect to securing compliance with the conservation program. It would, however, relieve an onerous burden on the fishermen to find financing for their fishing operations when their vessels and gear are subject to possible forfeiture.

4. The changes noted in paragraph 3 above necessitate consequential changes in sections 4 and 5 of S. 2568 (secs. 8(h) and 10(e) of the Tuna Conventions Act).

5. Section 5 of S. 2568 (sec. 10(c) of the Tuna Conventions Act) is amended to eliminate an apparent inconsistency with section 10(d) as regards search and arrest warrants.

6. Section 5 of S. 2568 (sec. 10(f) of Tuna Conventions Act) is amended to provide an alternative to the posting of a bond, namely to enable the accused to sell the tuna cargo in question with the proceeds of sale to be deposited in escrow pending judgment in the case. Otherwise accused fishermen could suffer a stiff penalty even though found innocent. The value of a tuna cargo frequently exceeds \$100,000. At 10 percent the cost of a bond for such a cargo would be over \$10,000.

NOTICE OF HEARING ON S. 3161 TO PROVIDE FOR CONTINUATION OF AUTHORITY FOR REGULATION OF EXPORTS

Mr. ROBERTSON. Mr. President, as chairman of the Committee on Banking and Currency, I wish to announce that a hearing will be held on May 2, 1962, on the bill, S. 3161, to provide for continuation of authority for regulation of exports, and for other purposes.

The hearing will begin at 10 a.m., in room 5302, New Senate Office Building.

All persons who wish to appear and testify on this bill are requested to notify Mr. Matthew Hale, Chief of Staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Telephone Capitol 4-3121, extension 3921, at the earliest possible date.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 3, 1962
For actions of May 2, 1962
87th-2d, No. 69

CONTENTS

Animal diseases.....13	Foreign trade.....10,17	Reclamation.....4
Audit.....8	Forest Service.....18	Research.....13
Coffee.....6	Lands.....7	Retirement.....16
Dairy.....11	Patents.....20	Rice.....9
Education.....3	Peace Corps.....15	Standby capital.....5
Electrification.....8	Personnel.....16	Tariffs.....17
Farm program.....1,12	Public works.....2,5,19	Wilderness.....14

HIGHLIGHTS: Sen. Hickenlooper inserted Republican policy committee statement opposing financing features of public works acceleration bill. Sen. Prouty introduced and discussed public works acceleration program bill.

HOUSE

- 1. FARM PROGRAM.** The "Daily Digest" states that the Agriculture Committee "Met in executive session on H. R. 11222, the general farm bill. No announcements were made, and the committee adjourned subject to call of the Chair." p. D328
- 2. PUBLIC WORKS.** The Judiciary Committee reported without amendment H. J. Res. 688, providing for the designation of the week commencing October 14, 1962, as "National Public Works Week" (H. Rept. 1647). p. 6967
- 3. EDUCATION.** The "Daily Digest" states that the Subcommittee on Integration in Federally Assisted Education of the Education and Labor Committee "met in executive session and ordered reported favorably to the full committee H. R. 9824 (a clean bill to be introduced), to eliminate the provisions thereof authorizing Federal contributions for the maintenance of schools of higher education in which racial segregation is practiced; and H. R. 10056, relating to construction and maintenance and operation of public schools in federally impacted areas, to deny payments to school districts which are not in compliance with constitutional requirements that public schools be operated on a racially nondiscriminatory basis." p. D329

The "Daily Digest" states that the Rules Committee "Granted a rule providing for sending to conference H. R. 8900, to authorize assistance to public and other nonprofit institutions of higher education." p. D330

4. RECLAMATION. The "Daily Digest" states that the Rules Committee granted an open rule on H. R. 23, to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Okla. p. D329

SENATE

5. PUBLIC WORKS. Sen. Hickenlooper inserted a Republican policy committee statement opposing the financing provisions of the proposed Standby Public Works Acceleration Act of 1962, as reported by the Public Works Committee, and stating that it "is inconceivable that power be given the President not only to bypass the appropriations process, but also to transfer from agency to agency funds authorized by the Congress for established programs and specific purposes." p. 6982
6. COFFEE. Received a Hawaii Legislature resolution urging Congress to enact legislation to include coffee among the basic agricultural commodities under the Agricultural Adjustment Act of 1938 and to authorize parity payments to coffee growers in Hawaii. p. 6970
7. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments, S. 1485, to authorize the Secretary of the Interior to sell at not less than fair market value certain lands along the Snake River in Idaho which have been or may be found upon survey to be omitted public lands of the U. S. (S. Rept. 1381). p. 6970
8. ELECTRIFICATION. Received from GAO an audit report on hydroelectric power and related activities, Missouri River Basin project, Corps of Engineers and Bureau of Reclamation, for fiscal years 1959 and 1960. p. 6969
9. RICE. The name of Sen. Engle was added as an additional cosponsor of S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice for certain Federal distribution programs. p. 6970

ITEMS IN APPENDIX

10. FOREIGN TRADE. Extension of remarks of Sen. Muskie inserting an address before the Shoe Executives of Maine discussing the impact of foreign trade on the shoe industry. pp. A3223-5
11. DAIRY. Extension of remarks of Sen. Wiley reviewing the outlook for dairy legislation in this Congress, and inserting an editorial, "Some Positive Suggestions Made." p. A3236
12. FARM PROGRAM. Extension of remarks of Rep. Ellsworth inserting a speech of Rep. Dole criticizing the farm program, "Controls Beget More Controls." pp. A3240-1
13. RESEARCH. Extension of remarks of Rep. Springer discussing the establishment of a new center for research on diseases transmissible between animals and man, and inserting an article, "Zoonoses Research Center, University of Illinois." p. A3242

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued May 8, 1962
For actions of May 7, 1962
87th-2d, No. 72

CONTENTS

Appropriations.....	30	Forestry.....	4,7	School lunch.....	12
Banking and currency....	36	lands.....	7	Science.....	38
Conservation reserve....	29	Marketing penalties....	11	Seeds.....	9
Contracts.....	34	Metric system.....	13	Soil conservation.....	2
Cooperatives.....	8	Minerals.....	5	Sugar.....	23
Cropland retirement....	29	Organization.....	38	Taxation.....	33
Dairy.....	6	Personnel.....	3,17	Transportation.....	15
Electrification.....	10	Property.....	18,28	Water resources.....	20
Export control.....	27	Reclamation.....	35	Wheat surplus.....	22
Farm program.....	1,16,21,29	Recreation.....	19	Wilderness.....	26
Foreign aid.....	31	Reports.....	6	Wildlife.....	37
Foreign trade.....	24,27,32	Research.....	25	Youth conservation.....	14

HIGHLIGHTS: Sen. Williams, Del., urged investigation of Billie Sol Estes relations with this Department. House passed bill to permit soil bank equipment to be used for State forestry work.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "Met in executive session on H. R. 11222, the general farm bill. No announcements were made, and the committee adjourned subject to call of the Chair." p. D340
2. SOIL CONSERVATION. Agreed to without amendment S. Con. Res. 62, commemorating the twenty-fifth anniversary of the establishment of soil conservation districts. p. 7230
3. PERSONNEL. Passed as reported H. R. 8564, to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such Act in the absence of any claim for payment. p. 7228
4. FORESTRY. Passed under suspension of the rules H. R. 9736 to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue

to use the facilities, materials, equipment, and improvements provided cooperatively by the Federal Government for the production of such seedlings, in producing seedlings which will be needed to attain the objectives of other related programs. pp. 7229, 7232-3

5. MINERALS. Passed as reported H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Arizona. pp. 7226, 7231-2
6. DAIRY; REPORTS. Passed without amendment H. R. 4083, to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products. p. 7231
7. LANDS; FORESTRY. Passed without amendment H. R. 8434, to authorize the Secretary of Agriculture to sell and convey a certain parcel of forest land to the city of Mount Shasta, California. p. 7231
8. COOPERATIVES. Passed without amendment H. R. 10374, to amend section 6 of the Agricultural Marketing Act of 1929, as amended, so as to reduce from \$500,000 to \$150,000 the revolving fund available for subscriptions to capital stock of the banks for cooperatives. p. 7231
9. SEEDS. At the request of Rep. Poage, passed over without prejudice H. R. 5546, to amend the Federal Seed Act, as amended, so as to prohibit the importation of any type of seed screenings. p. 7231
10. ELECTRIFICATION. At the request of Rep. Saylor, passed over without prejudice H. R. 10708, to amend section 203 of the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures, writing, or signs as well as voice. p. 7230
11. MARKETING PENALTIES. At the request of Rep. Pelly, passed over without prejudice H. R. 10594, to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that no penalty shall be collected with respect to the marketing of any agricultural commodity grown for experimental purposes by any publicly owned agricultural experiment station or by any privately owned nonprofit agricultural research and experiment station or foundation. pp. 7229-30
12. SCHOOL LUNCH. At the request of Rep. Ford, passed over without prejudice H. R. 8962, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. p. 7224
13. METRIC SYSTEM. On objection of Reps. Gross, Ford, and Hall, passed over H. R. 2049, to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption of the U. S. of the metric system of weights and measures. p. 7223
14. YOUTH CONSERVATION. Rep. Perkins inserted an article on the Youth Conservation Corps, "Youth's Other Corps." pp. 7236-7
15. TRANSPORTATION. Rep. Wallhauser discussed the transportation problem, saying "It is important that we come to grips with it at the earliest possible moment...To neglect the transportation system that carries the economic bloodstream is to risk national paralysis." pp. 7235-6

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only,
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Issued May 11, 1962
For actions of May 10, 1962
87th-2d, No. 75

CONTENTS

Adjournment.....	14,25	Farm program.....	1,16	Personnel.....	4,32
American Samoa.....	5	Foreign aid.....	18,34	Public works.....	16
Appropriations.....	15	Foreign trade..	10,17,29,33	Raisins.....	30
ASCS.....	36	Forest Service.....	15	REA.....	13
Banking.....	9,22	Forestry.....	15,31	Reclamation.....	8
Budget.....	22,27	Guam.....	5	Research.....	12
Commodities.....	13,37	Investigation.....	36	Retirement.....	32
Contracts.....	4	Legislative program.....	13	River basin.....	26
Credit.....	23	Monopolies.....	24	Roads and trails.....	31
Education.....	6	National flower.....	36	Rural mail.....	21
Expenditures.....	27	Patents.....	11	Ryukyu Islands.....	5
				Saline water.....	15
				School lunch.....	3
				Science.....	13
				Seeds.....	2
				Sugar.....	35
				Surplus commodities.....	37
				Territories.....	5
				Transportation.....	20
				Virgin Islands.....	15
				Wheat.....	7,19
				Wilderness.....	28

HIGHLIGHTS: Sens. Williams, Del., and Mundt inserted items urging investigation of Estes case. Senate passed measure extending time for proclaiming 1963 wheat marketing quotas. Senate committee reported Interior and related agencies appropriation bill. Sen. Carlson discussed possible effects of trade expansion bill on agriculture. Sen. Humphrey urged greater use of USDA personnel in foreign aid program. Reps. Michel and Gross criticized USDA relations with Estes. House committee voted to report farm bill. House subcommittee voted to report bill to prohibit importation of seed screenings. House committee voted to report bill to revise school lunch fund apportionment formula.

HOUSE

1. **FARM PROGRAM.** The "Daily Digest" states that the Agriculture Committee "Met in executive session and ordered reported favorably to the House H. R. 11222 (amended), the general farm bill." p. D355

Rep. Michel criticized the USDA saying, "all Americans are concerned over this matter of favoritism practiced by the Department of Agriculture." pp. 7575-6

Rep. Schwengel called for an immediate investigation of this Department and said, "The example of what Billie Sol Estes has been able to do, makes many Americans wonder how many more operators of this kind are getting away with the same type of manipulation and misuse of their ties to the Department of Agriculture." pp. 7609-11

2. **SEEDS.** The "Daily Digest" states that the Subcommittee on Livestock and Feed Grains of the Agriculture Committee "in executive session, ordered reported

favorably to the full committee H. R. 5546, to amend the Federal Seed Act with respect to screenings of seed." p. D355

3. SCHOOL LUNCH PROGRAM. The "Daily Digest" states that the Education and Labor Committee voted to report (but did not actually report) "H. R. 11665 (a clean bill introduced in lieu of H. R. 8962), to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act." p. D356
4. PERSONNEL. The "Daily Digest" states that the Education and Labor Committee voted to report (but did not actually report) "H. R. 11677 (a clean bill introduced in lieu of 11634), to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination." p. D356
5. TERRITORIES. The Subcommittee No. 2 of the Armed Services Committee voted to report to the full committee H. R. 10937, to amend the act providing for the economic and social development of the Ryukyu Islands. p. D355
The Public Works Committee voted to report (but did not actually report) S. 1742, to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters. p. D357
6. EDUCATION. The "Daily Digest" states that the Education and Labor Committee voted to report (but did not actually report) "H. R. 11559 (a clean bill to be introduced), to amend the act of August 30, 1890, to eliminate the provisions thereof authorizing Federal contributions for the maintenance of schools of higher education in which racial segregation is practiced." p. D356
7. WHEAT. The Agriculture Committee was granted until midnight Friday to file a report on H. J. Res. 710, to defer the proclamation of marketing quotas and acreage allotments for the 1963 crop of wheat. p. 7590
Rep. Feighan discussed the recent agreement between Canada and Red China for the sale of wheat and barley, saying, "Today a new speculation has developed on the full meaning of the Canadian-Red Chinese grain deal ... as to how much of the wheat and barley contracted for is actually being delivered to Red China and how much is in fact being delivered to the Russians." p. 7595
8. RECLAMATION. Received from the Corps of Engineers a report on a review of the Columbia River and tributaries (H. Doc. 403). p. 7625
9. BANKING. Received from Treasury a report of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 402). p. 7625
10. FOREIGN TRADE. Rep. Mills inserted President Kennedy's address on foreign policy delivered in New Orleans. pp. 7593-5
Rep. James C. Davis criticized H. R. 9900, the proposed Trade Expansion Act of 1962. pp. 7615-6
11. PATENTS. Rep. Daddario commented on the "present status of efforts to arrive at a common patent policy for inventions arising from the research and development activities financed in part or wholly by the Federal Government." pp. 7595-6
12. RESEARCH. Rep. Meader expressed concern over the intention of the Appropriations Committee "to include in all appropriation bills in this Congress a provision limiting indirect costs on research grants to 15 percent of direct costs," urged

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
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CONTENTS

Administrative procedure.....24	Farm loans.....12	Meat grading.....3
Agricultural cooperative leadership.....22	Farm program....1,13,26,39	Minerals.....36
Agricultural imports....10	Feed grains.....39	Organization.....2
ASC committee.....32	Flood control.....37	Patents.....8
Budget.....25,28	Foreign aid.....22	Personnel.....30,33
Civil defense.....7	Forestry.....18,34	Prices.....35
Copyrights.....8	Health.....20	Property.....16
Dairy program.....11	Land reform.....22	Public works.....4,14
Electrification.....27	Lands.....5,37	Reclamation.....9
	Legislative program....23	Research.....29
	Manpower training.....25	Retirement.....33
		River basin.....31
		Roads.....34
		Ryukyu Islands.....6
		Science.....2
		Social security.....17
		Soil conservation.....27
		Soviet foreign policy...21
		Sugar.....15
		Territories.....6
		Transportation.....40
		Wheat.....38
		Wildlife.....19

HIGHLIGHTS: House committee reported farm bill. Reps. Battin and Beermann urged investigation of Estes case. Senate debated bill for agricultural import restrictions on nonparticipating countries in multilateral trade agreements. Sen. Proxmire defended cost of dairy program. Sen. Humphrey commended work of Farmers Home Administration. House rejected resolution to disapprove Reorganization Plan to create Office of Science and Technology. Rep. Derounian urged investigation of Estes case and inserted article. Rep. Wilson, Calif., inserted article criticizing dismissal of certain Mont. ASC committee officials.

HOUSE

1. FARM PROGRAM. The Agriculture Committee reported with amendments H. R. 11222, the proposed Food and Agriculture Act of 1962 (H. Rept. 1691). p. 7833

Rep. Andersen, Minn., defended his sale of coal stock to Estes, saying, "my sale of coal stock to Mr. Estes had absolutely nothing to do in any way with his other affairs." p. 7820

Rep. Battin urged investigation of the Department of Agriculture, saying, "the Billie Sol Estes matter is but one example of the high-handed attitude of the Department in dealing with the rights of not only the taxpayer but also elected officials in government." p. 7819

Rep. Beermann criticized the USDA, saying, "The Department of Agriculture's attitude in attempting to cover up this mess has taken on the dimensions of a national disgrace," and urged investigation of the Estes case. p. 7819

Rep. Matthews reviewed the accomplishments of Rep. Harding, especially with regard to agricultural legislation. pp. 7829-31

2. ORGANIZATION; SCIENCE. Rejected H. Res. 595, disapproving Reorganization Plan No. 2 to create an office of science and technology. pp. 7820-6
3. MEATS; GRADING. Rep. Cunningham criticized the USDA's proposed dual grading system for beef and inserted letters from a number of packers criticizing the system. pp. 7827-9
4. PUBLIC WORKS. The "Daily Digest" states that the Public Works Committee "Met in executive session and ordered reported favorably to the House H. R. 10113 (amended), to provide the President with standby authority to inaugurate a public works acceleration program to help combat a recession." p. D375
5. LANDS. The "Daily Digest" states that the Government Operations Committee "Met in executive session and adopted a subcommittee report entitled, 'Land Appraisal Practices -- Department of Interior.'" p. D375
6. TERRITORIES. Received from the Army a letter relative to estimating the additional overhead costs relating to the economic and social development in the Ryukyu Islands. p. 7833
The Armed Services Committee reported without amendment H. R. 10937, to amend the act providing for the economic and social development in the Ryukyu Islands (H. Rept. 1684). p. 7833
7. CIVIL DEFENSE. The Armed Services Committee reported without amendment H. R. 11743, to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended to extend the emergency authority of the President to June 30, 1966 (H. Rept. 1685). p. 7833
8. PATENTS; COPYRIGHTS. Subcommittee No. 3 of the Judiciary Committee voted to report to the full committee H. R. 10966, to fix the fees payable to the Patent Office, and with amendment H. J. Res. 627, to extend the duration of copyright protection in certain cases. p. D375
9. RECLAMATION. The Subcommittee on Irrigation and Reclamation of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 575, to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Ore. p. D375

SENATE

10. AGRICULTURAL IMPORTS. Continued debate on H. R. 10788, to amend Sec. 204 of the Agricultural Act of 1956 so as to authorize the President to regulate imports of agricultural commodities, including textiles and textile products, from nonparticipating countries of multilateral trade agreements (pp. 7875-98, 7908-12, 7931). Agreed to a unanimous consent agreement to terminate debate on an amendment by Sen. Mundt at 2:30 p.m., Thurs., May 17, and to limit debate on an amendment by Sen. Miller to 30 minutes, and limit debate on final passage to 30 minutes (p. 7885).
11. DAIRY PROGRAM. Sen. Proxmire contended that "the cost of the dairy programs has been much more modest over the years than has the cost of the cotton, feed grains, and wheat programs, in virtually every respect," and inserted a table to support his position. p. 7847

FOOD AND AGRICULTURE ACT OF 1962

MAY 16, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 11222]

The Committee on Agriculture, to whom was referred the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendments are as follows:

Page 12, following line 2, insert a new section 201 reading as follows:

SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 201 is amended by striking out the words "out of its stocks".

(2) Section 202 is amended by striking out "from Commodity Credit Corporation stocks" and substituting "(as defined in section 106 of title I) made available by Commodity Credit Corporation".

Pages 12, 13, and 14 renumber following sections in title II to conform.

Page 14, line 7, strike out "made available" and insert "donated".

Page 14, line 20, insert a comma after "vegetables" and a comma after "asparagus".

Page 14, line 22, insert a comma after "vegetables" and a comma after "asparagus".

Page 24, line 24, strike out the quotation marks.

Page 24, following line 24, insert a new subsection (e) reading as follows:

"(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

Page 25, line 2, insert before the language in line 2 "SEC. 360e".

Page 37, line 18, strike out the quotation marks.

Page 37, following line 18, insert the following new subsection:

"SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would

unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (i.e., production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

Page 56, on line 14, beginning with the word "multiplied" strike out the remainder of the sentence, through the period on line 19, and insert:

multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates.

Page 83, line 4, insert a comma following the word "producer".

Page 83, line 7, insert a comma following the word "period".

BRIEF SUMMARY OF H.R. 11222

The bill, as reported by this committee, contains five titles. Title I deals with land use adjustment; title II amends Public Law 480 (83d Cong.); title III deals with marketing orders and agreements; title IV deals with commodity programs, including feed grains, wheat, and an emergency program for dairy, and title V makes amendments in the Consolidated Farmers Home Administration Act of 1961. Following are the major provisions in each title:

TITLE I—LAND USE ADJUSTMENT

Changes would be made in existing conservation, land use, and watershed protection and flood prevention programs to provide new authorities for the Secretary of Agriculture to promote the conservation and economic use of land through the following amendments:

1. The Soil Conservation and Domestic Allotment Act is amended to permit the Secretary of Agriculture to enter into long-term agreements with farmers to provide for changes in cropping systems and land use, for development of soil, water, forest, wildlife, and recreation resources by means of payments, cost-sharing, and other assistance.

2. Title III of the Bankhead-Jones Farm Tenant Act is amended to include the more economic use of lands not currently needed for agriculture and to provide for recreational development and wildlife protection. The new provisions permit the Secretary of Agriculture to

assist local organizations through financial and other aid to develop and carry out programs of land conservation and land utilization.

3. The Watershed Protection and Flood Prevention Act is amended to provide for cost-sharing assistance for recreational development, for Federal assistance to local organizations in acquiring land rights and basic facilities needed for public use of reservoirs and other areas for fishing, hunting, or other recreational purposes.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Section 201 of the bill would amend title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, to authorize the acquisition of surplus agricultural commodities from private stocks for disaster relief and economic development programs under title II of such act.

The present law restricts the commodities which may be made available to those held in Commodity Credit Corporation stocks.

Section 202 of the bill would amend title IV of Public Law 480, as amended, which authorizes long-term supply contracts for dollar credits, in the following respects:

- (1) Clarifying the purposes;
- (2) Permitting agreements with financial institutions of friendly nations;
- (3) Authorizing transactions with foreign and U.S. private trade;
- (4) Changing the requirement for repayments to reasonable annual amounts with authority to defer the beginning of such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year, and
- (5) Changing from mandatory to discretionary the authority under which other exporting nations are permitted to participate in the program.

Sections 203 and 204 amend the authorities for carrying out school-lunch programs overseas. In addition to the authorities in three sections of law authorizing donations to needy persons, donations are authorized for use in assistance of nonprofit school-lunch programs. The three sections amended are: Section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Cong.), as amended, and section 9 of the act, September 6, 1958. A new provision also is added as section 206 regarding student participation in the financing of school-lunch programs. Under current legislation, the extent to which donations could be made for school-lunch programs has not been clear.

The amendments would clearly authorize donations for general use in school-lunch programs without the necessity of determining that all children in the school were from economically needy families, but would also require charges to parents who could afford to pay for their children's lunches on a basis similar to that used in the national school lunch program in the United States.

TITLE III—MARKETING ORDERS

Section 301 amends the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, by amending section 8c(2) to exempt potatoes for dehydrating from the authority for the issuance of marketing orders.

TITLE IV—COMMODITY PROGRAMS

Subtitle A—Feed grains

(1) The Secretary would proclaim a marketing quota at the national level for each year equal to the total requirements for corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses, and exports; less estimated imports and, if CCC stocks are excessive, less an amount not to exceed 7 percent of total utilization as the Secretary determines to be necessary. The Secretary could increase the quota to assure an adequate carryover or to meet a national emergency or an increase in demand. A committee amendment authorizes the Secretary to declare feed deficit areas in which producers would be permitted to continue production at present levels.

(2) A national acreage allotment would be proclaimed equal to the number of acres which the Secretary determines will, on the basis of expected yields, produce the feed grains needed during the year less an amount to be taken from CCC stocks when stocks are excessive.

(3) The national acreage allotment (less a small reserve to take care of new areas coming into production) would be apportioned to the States. The State allotment, less a small reserve for errors and adjustments, would be apportioned to counties and farms on the basis of the average acreage of feed grains during the base period, as adjusted.

(a) The base period for the 1963 to the 1965 crops would be 1959 and 1960; for subsequent crops, the base period would be the two most recent calendar years for which statistics are available.

(b) Adjustments in farm bases would be authorized for abnormal conditions affecting farm acreages, for hardship, and other factors.

(4) Farms with a feed grain base of 25 acres or less would not be subject to the program unless the producer elected to participate. If the producer did not so elect, he could plant up to his base acreage but would not be eligible for land-use payments or for price support.

(5) All producers with a feed grain base established for their farm would be eligible to vote in a 1-, 2-, or 3-year referendum (as determined by the Secretary) except producers who elected to be exempt from the program. A two-thirds vote would be required to approve the program.

(6) Production on acreages of feed grains in excess of farm allotments would be subject to a marketing penalty at the rate of 65 percent of the parity price per bushel.

(7) The Secretary could permit wheat to be planted on the feed grain allotment to the extent that this did not impair the effective operation of the program.

(8) Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains.

(a) Acreage so diverted would be in addition to the acreage normally devoted to conserving uses, summer fallow, and idle land.

(b) A penalty would apply if the producer used the diverted acreage to produce crops, unless the crop is one named in the act and which is designated by the Secretary as not being in surplus supply.

(c) The Secretary could permit the diverted acres to be grazed, but if such acreage were grazed between April 1 and September 30, no diversion payment could be made.

(9) The Secretary would be authorized to make payments for land diversion with respect to the 1963, 1964, and 1965 crops, respectively, in amounts determined by the Secretary to be fair and reasonable, but not to exceed 50 percent of the value of normal production on the acreage diverted in 1963, 40 percent in 1964, and 30 percent in 1965.

(a) The Secretary could permit producers to divert an acreage, in addition to any acreage required to be diverted, equal to 20 percent of the farm acreage allotment.

(b) Producers could also, at their election, divert such additional acreage as would bring the total diverted acreage on the farm to 25 acres.

(10) The level of price support for feed grains would be between 65 and 90 percent of parity as determined by the Secretary.

(a) If marketing quotas were in effect, price support would be available only to producers who stay within all acreage allotments on the farm and all acreage allotments on any other farm, and comply with the land-use requirements explained under item 8.

(b) No price support would be provided if marketing quotas were disapproved by producers, but CCC sales of feed grains for unrestricted use at market prices would be limited to 10 million tons of feed grains during the year.

Subtitle B—Wheat

(1) The Secretary of Agriculture would set a yearly national marketing quota for wheat, including wheat for food and beverage, seed, exports, and the amount of wheat normally fed in recent years, less an amount not to exceed 16 percent of the uses cited above to be taken from CCC stocks when stocks are excessive. The national marketing quota would be converted into a national acreage allotment, based on yields expected in the coming year. The 55 million acre national minimum allotment in present law would be repealed.

(2) The national acreage allotment (less a small reserve for new areas) would be distributed to the States, counties, and farms in the continental United States (except Alaska). A small reserve would be maintained from State allotments also to allow for errors and adjustments.

(3) The 15-acre exemption would be terminated and producers who have been planting wheat under provisions of the exemption would receive an acreage allotment based on their average acreage in wheat in the period 1957 to 1961. On farms with average acreages of 15 acres or less in the period, 1957 to 1961, the producers could elect to participate in the program or to be exempt. If they chose to be exempt, they would not be eligible for price support, marketing certificates, diversion payments, or to vote in the referendum and could plant up to their base acreage without penalty. Producers

who elected to be subject to the program would be eligible for payments, price support, marketing certificates and to vote in the referendum.

(4) A producer referendum would be held for a 1-, 2-, or 3-year program, subject to approval of two-thirds of those voting. The choices in the referendum would be between a supply management program with price support or no production adjustment program and no price support.

(5) If no production adjustment program were in effect, CCC sales of its stocks of wheat for unrestricted use at market prices would be limited to 200 million bushels of Government-held surplus wheat.

(6) Producers would divert to conservation uses an acreage equal in most cases to the difference between the allotment for any future year and the 1961 acreage allotment in addition to other conserving, idle, and fallow acreages. Diverted acreage could be grazed from October 1 to April 1 without loss of payments, but no payments would be made if the land were grazed during the remainder of the year. The Secretary could permit the production of certain crops on diverted acreages, but would reduce diversion payments according to the value of the crop being produced.

(7) Diversion payments would be made in cash or in kind at rates determined by the Secretary to be "fair and reasonable," but not to exceed 50 percent of the value of normal production of the diverted acreage in 1963, 40 percent in 1964, and 30 percent in 1965. The Secretary could permit producers to divert an additional acreage equal to the greater of 20 percent of the wheat acreage on the farm or 15 acres.

(8) Price supports would be provided at a level to be determined by the Secretary between 75 and 90 percent of parity on the wheat marketing allocation, which would be that portion of the national marketing quota on which the Secretary would issue marketing certificates, and would provide price support at the higher level in order to achieve the objectives of the program.

Marketing certificates would be issued by CCC to each producer, based on the farm acreage allotment, the normal yield per acre on the farm, and the determination of the Secretary of the proportion of the crop which would need to be supported at the higher level in order to achieve the income objectives of the act. The balance of the wheat would move in regular market channels without certificates, would be valued at approximately its value as a feed grain, and would be eligible for price support on that basis.

Marketing certificates would have a face value equal to the difference between the price support for noncertificate wheat (set in relation to feed value, feed grain price support, and world prices for wheat) and the price support on certificate wheat.

(9) Processors and exporters of wheat would be required to purchase certificates on the amount of wheat processed and exported.

(10) Wheat and feed grains would be interchangeable on the wheat allotment, unless such substitution would impair the operation of the program. The 30-acre, wheat-for-feed exemption in the present law would be repealed, but producers who have been planting under it would receive credit for it in their feed grain base acreage.

(11) Penalties would be assessed against noncooperating producers by (a) denying land retirement payments and price supports, and (b)

levying a penalty based on the production on the acreage in excess of the farm allotment, times 65 percent of parity. A penalty would also be applied if the producer used the diverted acreage to produce crops other than ones named in the act and designated by the Secretary as not being in surplus supply. Persons other than wheat farmers violating provisions dealing with marketing certificates may be prosecuted for a misdemeanor, and any person (including wheat farmers) who falsely makes, issues, alters, or counterfeits a wheat certificate would upon conviction be guilty of a felony.

(12) Provisions of law permitting farmers to plant wheat in excess of their farm wheat allotments for storage on the farm under bond to be applied to a subsequent year's short crop, would be repealed.

Subtitle C—Dairy

This subtitle authorizes an emergency surplus dairy reduction payments program for the marketing year ending March 31, 1963, by which producers may on a compensated basis voluntarily reduce their marketing of milk and dairy products below the lower of (i) their 1961 marketings or (ii) their current level of marketings. Commodity Credit Corporation may enter into agreements with producers who agree to reduce their marketing by not less than 10 percent nor more than the greater of 25 percent or 7,500 pounds of milk for any quarter of the marketing year. Payments shall not exceed (i) \$2.50 per hundredweight, (ii) that amount which the Secretary determines necessary to secure a reduction in marketing, or (iii) the cost of acquiring an equivalent quantity of dairy products.

Section 436 of the subtitle authorizes marketing agreements and orders under the Marketing Agreement Act of 1937 by which the reduction of a producer under his agreement with Commodity Credit Corporation shall be considered as made from the lowest class use under the marketing orders and agreements thereby protecting his share in the highest use class of milk.

TITLE V—GENERAL PROVISIONS

The Consolidated Farmers Home Administration Act of 1961 is amended to:

1. Authorize loan assistance to farmers in developing recreational facilities and recreational use of land in rural areas.
2. Authorize loan assistance to nonprofit organizations for development of sewer systems.
3. Increase from \$10 million to \$25 million the amount of loans which the Secretary may make and have on hand at any one time while in the process of selling these loans to private investors on an insured basis.

GENERAL STATEMENT ON FARM PROGRAM ALTERNATIVES

In the Agricultural Act of 1961 Congress provided additional authority for the Secretary to consult with farmers in the development of agricultural legislation. H.R. 11222, the Food and Agriculture Act of 1962 is the result of such consultation. It is directed toward four major problem areas of agriculture:

(1) The problem of underconsumption. Incomes—and diets—are generally good in America. Yet even here we have some inadequate

diets in the midst of plenty. And in many parts of the world, tomorrow's hunger is as certain as tomorrow's sunrise.

(2) The problem of overproduction. We have the capacity to produce far more than can be utilized at home and abroad. This excess capacity to produce is greater in some commodities than in others, but the problem is common to all of agriculture.

(3) The problem of conservation and resource use. On the one hand, more land is being used to produce food and fiber than is needed. On the other hand, there is a growing demand for recreation, wildlife, and simply open space in and around the cities of our increasingly urban Nation. This may well be the critical decade in determining how wisely our land will be used for generations to come.

(4) The problem of opportunities for farm and rural people. Problems of people on land that does not employ them fully and does not enable them to earn a decent living are closely related to the problems of land use. Opportunities for these people—both in farming and in other work in their communities—can be improved.

In the past these problems have been approached through general farm legislation. That approach served well in helping to lift agriculture out of the great depression and in maintaining stability in the war and postwar years.

Farmers in the meantime, have invested in the tools and the skills of technology as they became available. Mixed with their genius on the land, this has brought forth the biggest explosion of farm production the world has ever known. As a result, we produce vastly more than we use. Surplus piled upon surplus in the 1950's and both farmers and taxpayers were adversely affected. The situation demanded change—a new approach to the farm problem—to keep supply and demand in reasonable balance.

We have learned by now that the accumulation of huge stocks of farm commodities in Government hands hurts not only the producers of these specific commodities, but it damages agriculture all across the board, and affects taxpayers adversely too, as costs mount even faster than surpluses accumulate. Everybody, in every part of agriculture and in every segment of the economy, has a vital stake in seeing these huge stocks of Government-held commodities cut down to manageable and useful size.

The way to do this is to turn off the flow of surplus commodities and see to it, in the meantime, that the excess supplies on hand are gradually used. At the same time it is vital that farm income be strengthened and consumers be provided an adequate supply of agricultural products at fair and reasonable prices.

These were the purposes both of the emergency feed grain legislation of 1961, and the feed grain and wheat programs for 1962.

The 1961 feed grain program was presented to the country as a means by which the Government could begin to cut back its stocks. And the program did that job. Instead of an increase of nearly 600 million bushels in feed grain stocks that would have resulted from 1961 operations in the absence of this program, there will be a reduction of more than 200 million bushels, with resulting savings to taxpayers.

Emergency programs

It has been suggested that the voluntary, emergency programs enacted last year be continued for another year or two. Efforts to

substitute such provisions for the wheat and feed grain programs in H.R. 11222 have failed, and should not be reconsidered.

The voluntary programs have been useful and have saved public money. But the administration's proposals for long-range feed grains and wheat programs will cost the Government about \$4 billion less over the next four crop years than extension of the 1962 emergency programs. They will reduce carryovers more quickly and with more assurance, and will raise farm incomes. For 1963 crops alone the programs in H.R. 11222 will cost the Government nearly \$600 million less than the voluntary programs would cost if they were extended. And they will cost about \$1 billion less than if the 1960 programs were to be in effect again.

Government cost of alternative programs for 1963 crops

[In millions]

	Feed grains	Wheat	Feed grains and wheat
H.R. 11222 programs.....	\$644	\$1, 188	\$1, 832
Extension of 1961-62 emergency programs.....	1, 200	1, 217	2, 417
Return to 1960 programs.....	1, 372	1, 465	2, 837

The programs in H.R. 11222 will reduce stocks at far less cost because all producers would participate to bring production in line with needs. In addition to lower costs and faster carryover reduction, farm income would also be increased under the administration proposal, particularly for feed grains. And consumer prices for food—stable during the past year—would not increase as a result of the long-range farm program proposals.

If 1960 programs were again effective beginning with 1963 crops, carryover stocks would increase by the end of the 1966 marketing year to about 4.3 billion bushels of corn and grain sorghums and 2.1 billion bushels of wheat. Annual CCC expenditures for carrying charges on these three grains would exceed \$1¼ billion by the fiscal year 1967.

In contrast, the administration's programs would reduce CCC stocks of corn and grain sorghum to about 1.1 billion bushels, wheat stocks to about 655 million bushels, and carrying charges on the three grains to \$280 million annually by the 1967 fiscal year.

The temporary programs now in effect provide little long-range assurance that stocks will be reduced, since noncooperators can offset much of the acreage reduction made by cooperators. In 1961, noncooperators increased their plantings by 6 to 7 million acres, offsetting about one-fourth of the acreage reduction diverted and paid for on farms of cooperators. In the voluntary wheat program, smaller carryovers depend on acreage diversion beyond the mandatory 10 percent reduction from 1961 allotments.

The alternatives

For the long-term, there are three alternative approaches to farm programs:

- (1) Terminate all price support and production adjustment programs.

- (2) Turn away from acreage adjustment programs, and reduce price supports moderately;

- (3) Enact permanent legislation that would make it possible to adjust farm output to actual requirements at fair prices, and to reduce existing stocks to manageable levels.

Few people recommend the first alternative. Doing away with farm programs would push farm prices and incomes to disaster levels. The farm depression that would result is documented in each of four independent studies—two conducted for the Joint Economic Committee of Congress and the Committee on Agriculture and Forestry of the Senate, and one each by Iowa State and Cornell Universities. An average of their projections shows that farm prices would drop by about a third and net farm income even more. Wheat prices, for example would be cut almost in half and cattle and hog prices would fall by 25 to 30 percent below 1961 levels, as shown in the accompanying charts.

EFFECT ON FARM PRICES OF NO PRICE SUPPORT OR PRODUCTION ADJUSTMENT PROGRAMS

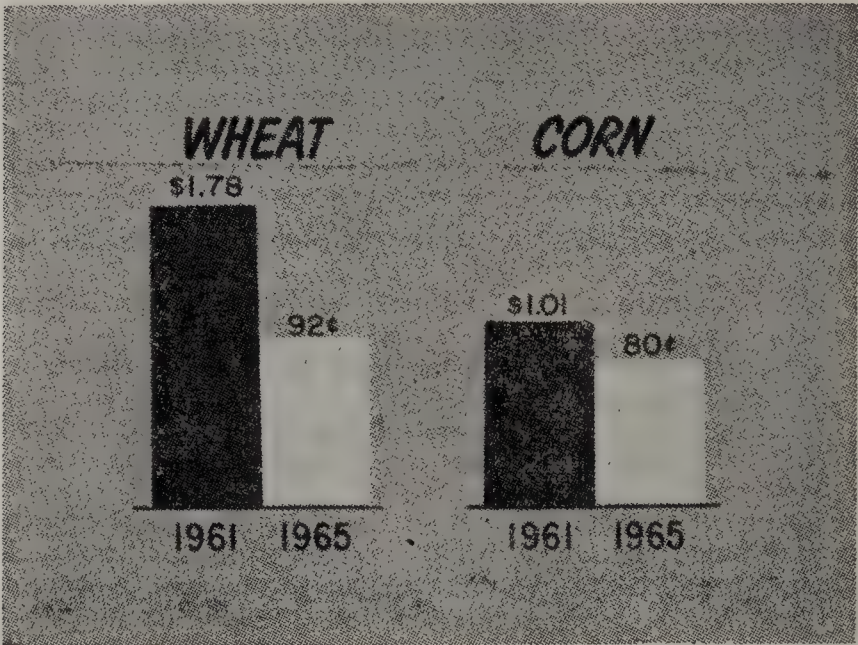


FIGURE 1.—Wheat prices would be sliced almost in half—corn by 21 percent.

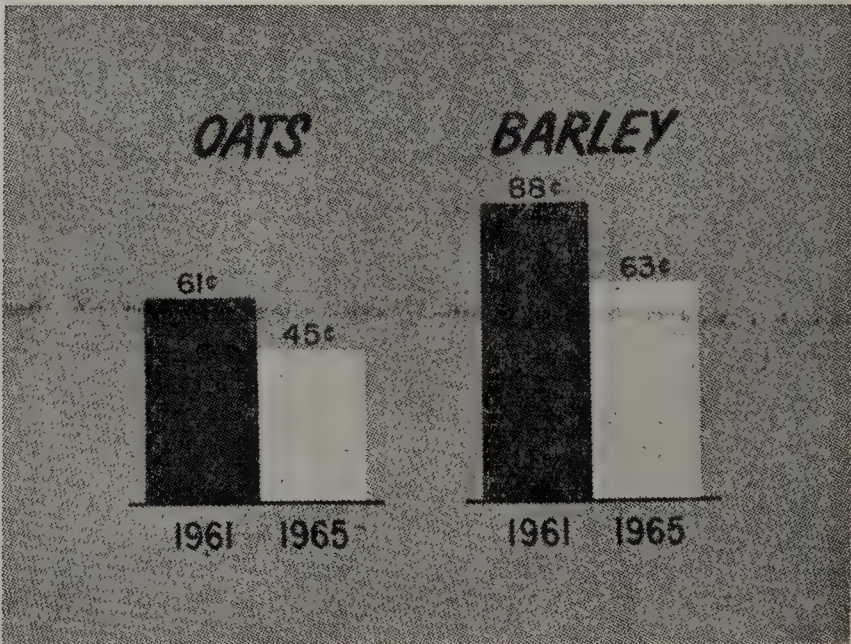


FIGURE 2.—Oats and barley prices would drop more than a fourth.
NOTE.—The 1961 prices are average farm prices for the first 9 months of the year.

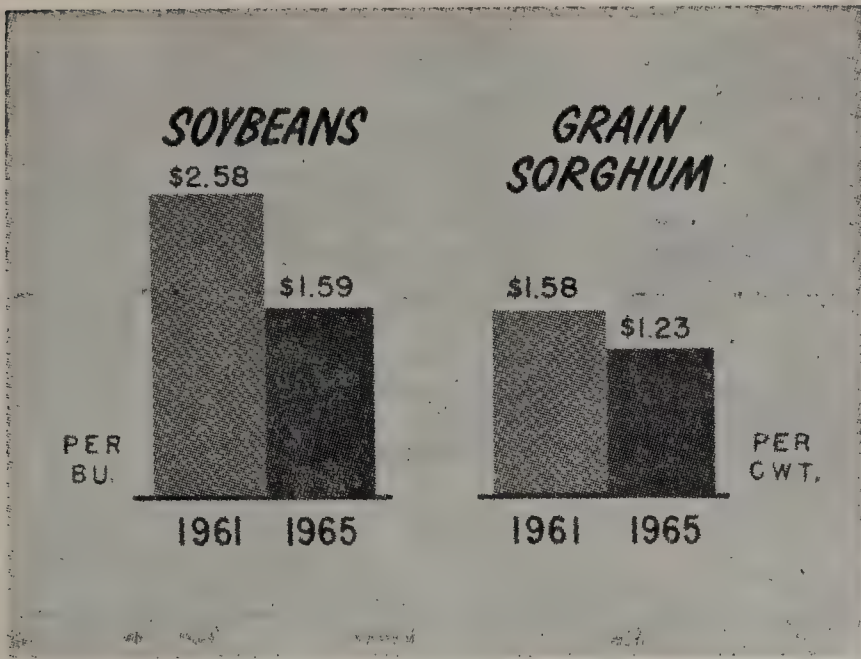


FIGURE 3.—Soybean prices would decline 38 percent—grain sorghum, 22 percent.

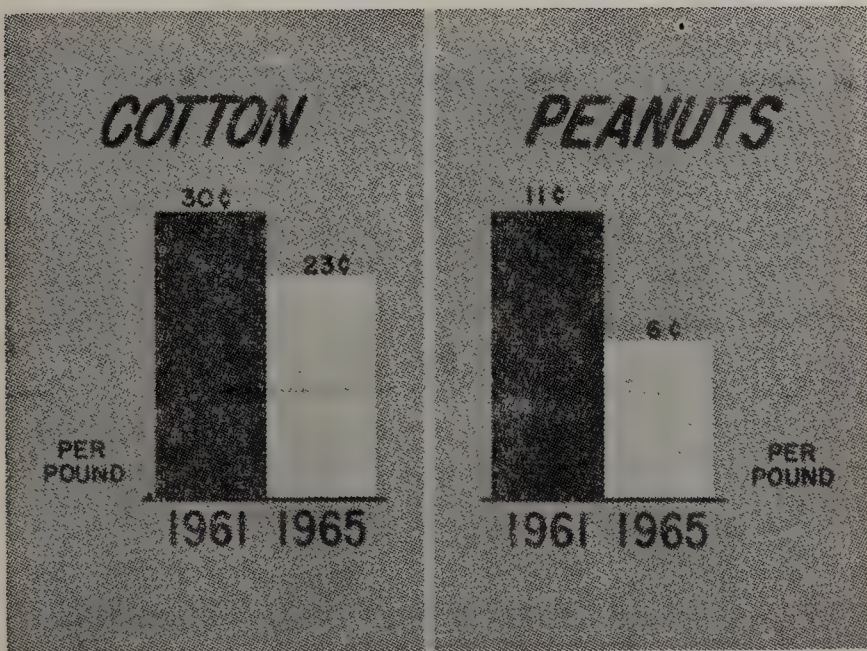


FIGURE 4.—Cotton prices would decline 23 percent—peanuts, 45 percent.

The above charts clearly show that agriculture would be put through an economic wringer that would do incalculable damage to the rural economy, to all the small towns that depend on farm spending for much of their subsistence, and to the economy of the entire Nation.

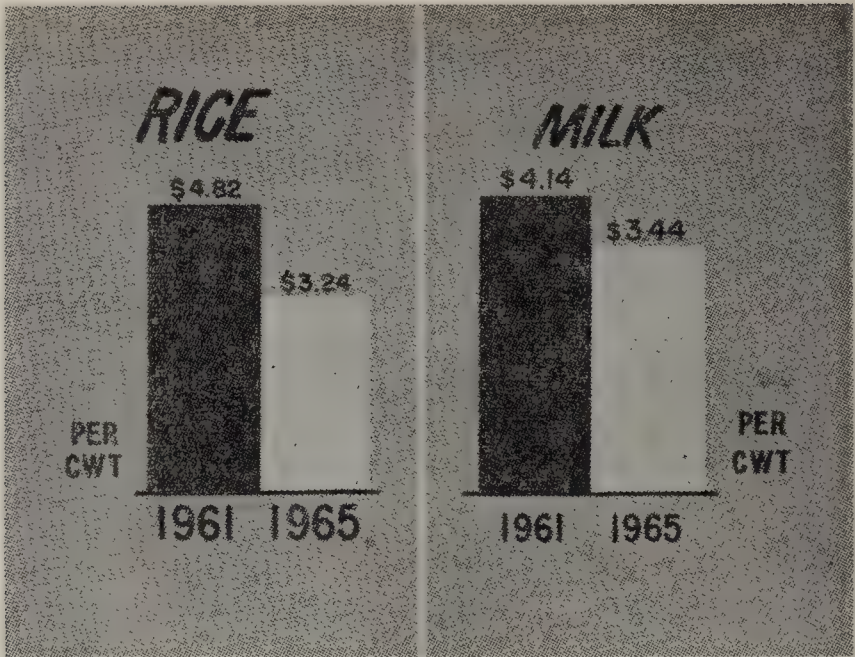


FIGURE 5.—Rice prices would drop a third—milk prices, 17 percent.

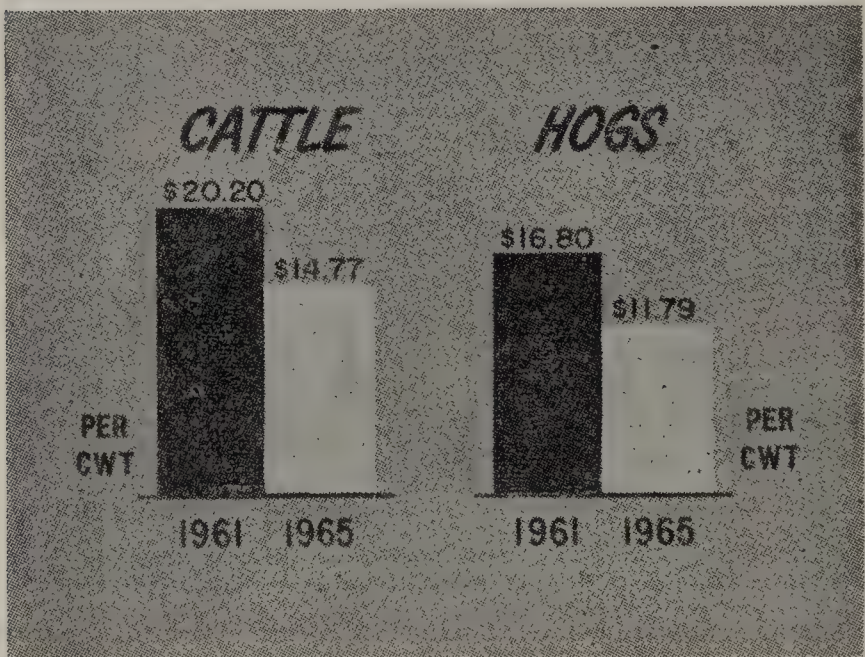


FIGURE 6.—Cattle prices would drop more than a fourth—hog prices, 30 percent.

The second alternative—ending production adjustment programs and placing price support at relatively low levels—was tried for feed grains in the 1950's. From recent experience we know the effects of this alternative—steadily growing stocks with constantly rising costs for handling and storage.

When acreage allotments were taken off corn in 1958, the result was an increase in corn output of nearly 30 percent in 3 years.

Even with acreage allotments for wheat—and despite the tremendous efforts of the Government to move wheat abroad—Government inventories rose from 143 million bushels at the end of 1952 to nearly 1,200 million bushels in 1960.

In the absence of effective adjustment programs for wheat and corn, CCC expenditures over the next few years would increase by another \$1 billion merely for storage, handling, and interest charges.

This prospect would result in loss of confidence in the farm program by the American people, and eventually in a refusal to support it.

H.R. 11222

A realistic approach is embodied in the Food and Agriculture Act of 1962, as reported to the House, an approach which would effectively cut down surpluses and at the same time help producers get a return more commensurate with their investments, skill, and contribution to the whole economy. This legislation would, in 3 to 4 years, cut down the carryover of wheat and corn substantially—to about half the 1963 level, will improve the incomes of farmers, and reduce annual expenditures of farm programs. In addition the legislation provides for efficient use of land resources so as to use our agricultural resources to assure adequate diets for future generations. This means the conservation and building up of soil and water resources.

Stock reductions

Under H.R. 11222 as reported corn and wheat stocks would be reduced in the next 5 years to desirable levels, as shown in figures 7 and 8, which compare results under H.R. 11222 with those of the pre-1961 programs if continued.

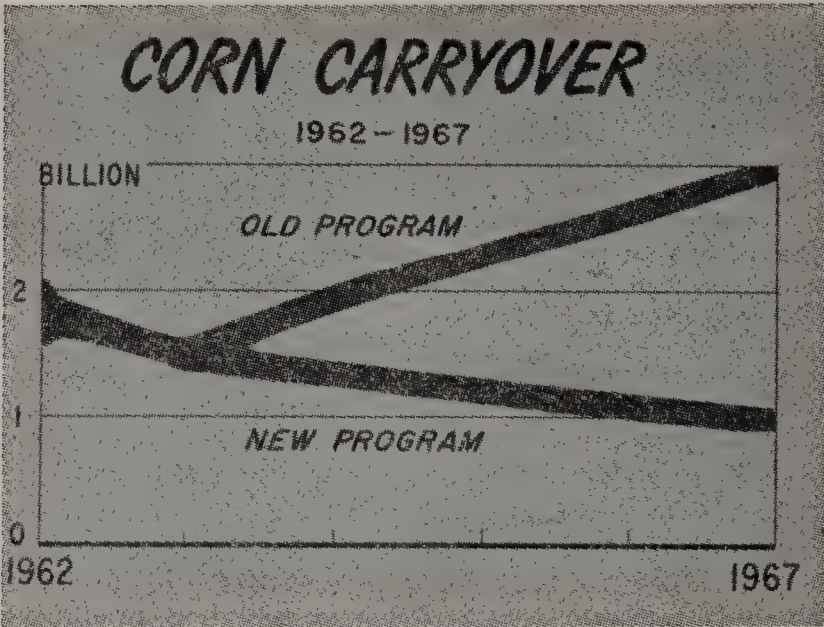


FIGURE 7

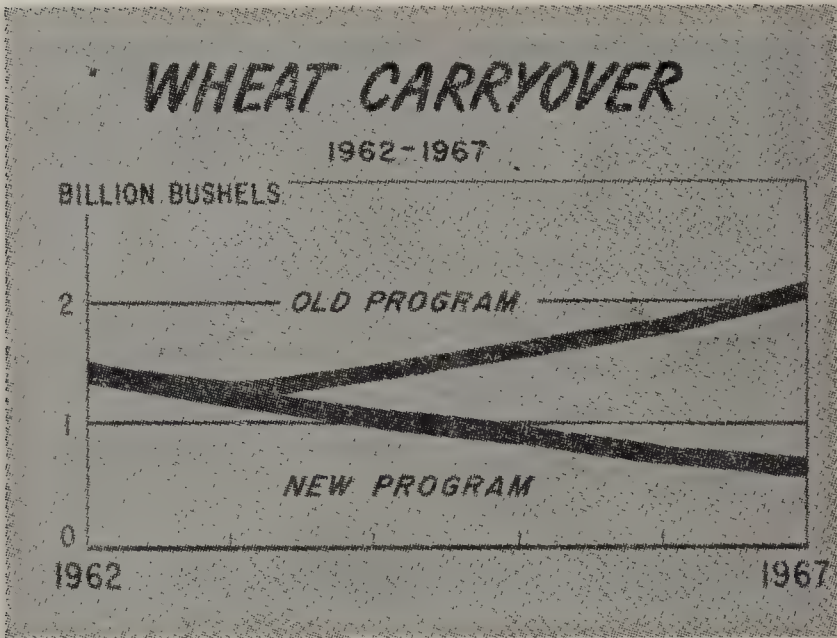


FIGURE 8

After stocks have been reduced to reasonable levels—say by 1967—feed grain and wheat acreages and production could be increased.

Farm family incomes

Average per capita income of farm people is low—\$965 compared with \$2,216 for nonfarm people in 1959. These averages obscure many details. It is clear, however, that many farm people earn incomes lower than earned in comparable nonfarm jobs. This income gap must be narrowed—in the interest of farm people and of the Nation.

The income position of farmers can be seen more clearly if the statistics describing two groups of farms—and farmers—are separated. Income sources—and income problems—on nearly 1.5 million farms with sales of \$5,000 or more in 1959 are substantially different from those of farms with sales below \$5,000. There is an increasing number of the former group, while the latter—the lower income group—declined by about 30 percent between 1954 and 1959.

These larger commercial farms (\$5,000 annual sales and above) make 87 percent of all farm product sales, but they represent only 39 percent of all farms. Most income from farming is earned by these larger farms. Even on these farms, earnings are generally not comparable to nonfarm earnings.

Commercial farms with sales below \$5,000 per year show a distinctly different income pattern. Income from farming is very low. Income from other sources is greater than from farming (table 1). For a large part of this group the combined sources of income provide cash returns and levels of living well below adequate standards of health and well-being.

TABLE 1.—Average net income of farm operator families, 1959

	Number of farms 1959		Percent of sales of farm products	Average net income of farm operator families			
	Total	Percent of total		Net cash farm in- come ¹	Off-farm income	Total cash income	Total income including nonmoney income from farm food and housing
	<i>Thousands</i>	<i>Percent</i>	<i>Percent</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Commercial farms with sales:							
\$10,000 and over.....	795	21.5	71.9	6,636	1,978	8,614	9,960
\$5,000 to \$9,999.....	654	17.6	15.4	2,165	1,567	3,732	5,018
\$2,500 to \$4,999.....	618	16.7	7.4	1,288	2,077	3,365	4,572
\$50 to \$2,499.....	349	9.4	1.5	438	525	963	1,476
Other farms:							
Part time ²	888	23.9	2.7	176	4,293	4,459	4,890
Part retirement ³	404	10.9	1.1	116	1,846	1,962	2,363
Farms with sales \$5,000 and over.....	1,449	39.1	87.3	4,618	1,826	6,444	7,763
Farms with sales of less than \$5,000.....	2,259	60.9	12.7	510	2,589	3,099	3,750
All farms.....	3,708	100.0	100.0				

¹ Cash receipts from farm marketings plus Government payments less production expenses.

² Value of sales less than \$2,500, operator under 65 years of age and either worked off farm 100 days or more or income of family from nonfarm sources greater than value of products sold.

³ Value of sales less than \$2,500, operator 65 years or older.

All phases of the program proposed in the reported bill offer improved income prospects for farm people:

(1) Domestic and foreign food assistance programs, which provide a yearly outlet for nearly \$3 billion in farm products, clearly add to farm income, although they should not be justified on those grounds alone.

(2) Commodity programs for balance in production and use are the key to better incomes for the nearly 1.5 million commercial farms with sales (at 1959 prices) of \$5,000 or more. Higher prices for many crops in 1961 have already improved incomes on these farms. Further gains would be made as feed grain prices increase at least to present support levels in the coming years, and as improved prices for livestock follow smaller supplies and higher prices of feed grains.

(3) The program for conservation and resource use is primarily a program to divert farmland to productive but nonagricultural uses.

(4) The development program will act to stimulate enterprise, improve the productivity of resources and bring new and additional resources to rural areas and thereby contribute to better incomes and better lives for the people involved. These gains depend greatly on effective policies for national economic growth, and on the response of rural people to new opportunities.

The committee recognizes that it will be difficult both to maintain and improve upon the income gains made by commercial farmers in 1961, while reducing production and carryovers materially. Almost one-third of a crop of feed grains and half a crop of wheat would come out of CCC stocks by 1967—a significant subtraction from farm marketings. We believe, however, that combinations of farm prices and payments to growers who divert lands from crop production can be worked out that will meet the objectives of a sustained improvement in the incomes of farm people, and a slow but steady closing of the gap between farm and nonfarm standards of living.

Public expenditures for farm programs

The Department of Agriculture administers many programs essential to public welfare, in addition to those commonly known as farm programs. These functions relate to research, education, and credit, to public health, to the preservation of resources, to assistance of needy persons, and to foreign aid.

In the late 1950's, that part of the budget of the Department which has gone for farm price and income stabilization and support went primarily to acquire and store the commodities now in CCC stocks. As a result, the charges for simply carrying and managing the commodity inventories have increased greatly in the last few years. Each additional bushel of grain acquired by CCC under the old programs committed the Government to expenditures for carrying charges for many years. This period lengthened as inventories grew. The current annual bill for all these costs—for storage, handling, transportation, and interest—is over \$1 billion.

These expenditures for price and income support can and must be reduced. The key to reduced expenditures is reduced CCC stocks and carrying charges. That task began with the 1961 emergency feed grain program, and further progress is being made under the 1962 feed grain and wheat programs.

Expenditures remain high—but they are already lower—in this fiscal year and next than they would have been if the old programs had been continued. Carrying charges on the CCC inventory could only go up under the pre-1961 programs. Now they will fall as stocks decline.

A return to old programs—pre-1961 programs—would mean a return to higher and higher CCC expenditures. CCC net expenditures for price support, which are only a part of total income stabilization expenditures, would again move toward \$3 billion in the 1967 fiscal year. This would be near the peak of the 1950's (fig. 9).

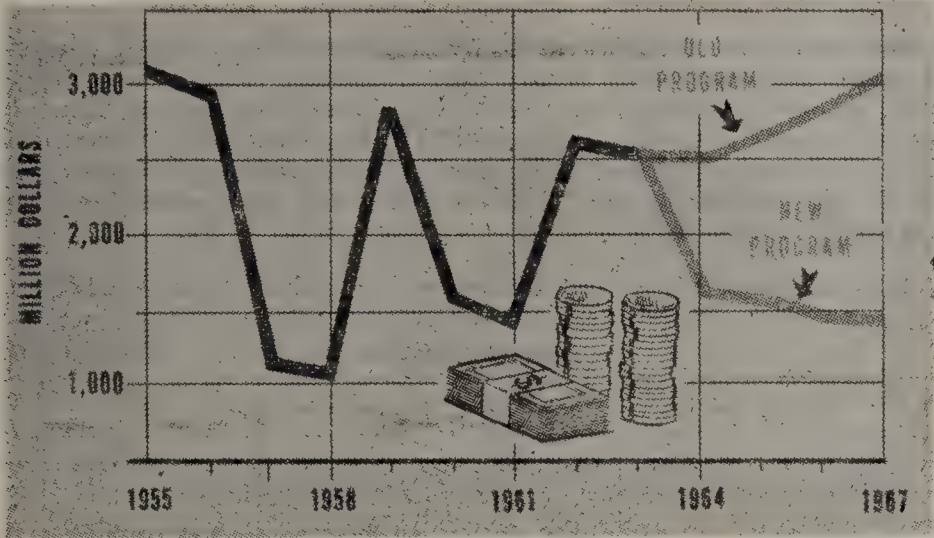


FIGURE 9.—CCC net expenditures for price support, with alternative projections for expenditures under pre-1961 programs, or under long-range programs of H.R. 11222. Price support expenditures are already lower in the 1962 fiscal year than they would have been if the pre-1961 programs had been continued. A return to the old programs now would mean higher and higher Government expenditures. Under H.R. 11222 as reported, expenditures for price support would decline.

CCC expenditures for price support can be reduced to less than \$1.5 billion by 1967 if the program provided by H.R. 11222 is adopted to reduce carryovers. In this process, total price support expenditures over the 4 years, 1964–67, can be cut by about \$5 billion. This reduction would result in large measure from reduced outlays for commodities acquired by the CCC. Perhaps an even more important effect would be the avoidance of committing large Federal expenditures for carrying charges for an indeterminate number of years beyond 1967. Looking beyond this period, it is likely that still further reductions can be made consistent with farm incomes at good and stable levels.

THE WHEAT SITUATION

The carryover of wheat next July 1, on the basis of estimated supply and disappearance, is expected to be about 1,380 million bushels, down from the alltime record of a year earlier. This would be the first decline since 1958. Stocks will remain far in excess of our needs for reserves to meet possible emergencies, however. With a prospective reduction in output under the 1962 wheat program, a further decrease in carryover is expected by July 1, 1963.

Domestic disappearance of wheat in 1961-62 is estimated at 590 million bushels, down slightly from 1960-61. Exports are now expected to total 685 million bushels—an alltime record, and so large as to exceed the quantity used domestically in the United States.

Total supply and utilization of wheat for the marketing years 1952-61 are given in table 2.

The Department of Agriculture reports that as of March 31, 1962, CCC had approximately \$2,516 million invested in 1,295 million bushels of wheat—more than a year's domestic and export requirements. Prices, acreages, and CCC holdings for the period 1950-62 are shown in table 3.

Hard Red Winter wheat is the dominant surplus class of wheat at this time, and carryover stocks have almost doubled since July 1, 1958. There is, however, a potential surplus in every class of wheat, since shipments of each class except Durum under export programs have been a major factor in keeping U.S. carryovers of some classes down. The utilization and supplies of wheat by classes for recent years are shown in table 4.

TABLE 2.—Wheat: Supply and distribution, United States, 1952-60 and 1961 projected

[In millions of bushels]

	Year beginning July—									
	1952	1953	1954	1955	1956	1957	1958	1959	1960 ¹	1961 ^{2,3}
Supply:										
Carryover, July 1.....	256.0	605.5	933.5	1,036.2	1,033.5	908.8	881.4	1,295.1	1,313.5	1,412
Production.....	1,306.4	1,173.1	983.9	937.1	1,005.4	955.7	1,457.4	1,121.1	1,357.3	1,235
Imports ⁴	21.6	5.5	4.2	9.9	7.8	10.9	7.8	7.4	8.2	8
Total.....	1,584.0	1,784.1	1,921.6	1,983.2	2,046.7	1,875.4	2,346.6	2,423.6	2,679.0	2,655
Domestic disappearance:										
Food ⁵	488.4	487.1	485.9	481.6	482.5	486.1	497.1	496.7	496.3	500
Seed.....	89.1	69.5	64.8	67.7	57.7	63.2	65.1	63.7	64.4	52
Industry.....	.2	.2	.2	.7	.5	.3	.1	.1	.1	-----
Feed ⁶	83.0	76.8	60.1	53.5	47.7	41.5	45.9	39.4	44.1	38
Total.....	660.7	633.6	611.0	603.5	588.4	591.1	608.2	599.9	604.9	590
Exports ⁷	317.8	217.0	274.4	346.3	549.5	402.9	443.3	510.2	661.9	685
Total disappearance.....	978.5	850.6	885.4	949.8	1,137.9	994.0	1,051.5	1,110.1	1,266.8	1,275
Stocks on June 30.....	605.5	933.5	1,036.2	1,033.4	908.8	881.4	1,295.1	1,313.5	1,412.2	1,380

¹ Preliminary.

² Imports and distribution are partly estimated.

³ Projected.

⁴ Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour; also flour free for export.

⁵ Includes shipments to U.S. territories and wheat for military food use at home and abroad.

⁶ This is the residual figure, after all disappearance is accounted for.

⁷ Exports are of wheat, including flour wholly from U.S. wheat and other wheat products in terms of wheat. They include exports for relief or charity by individuals and private agencies. Shipments are included in domestic disappearance for food.

Source: U.S. Department of Agriculture, "Wheat Situation," April 1962.

TABLE 3.—Relationship of support prices and acreage diversion to production and CCC holdings of wheat, 1950-62 crops

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushel)	CCC holdings at end of marketing year for crop (bushel) ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and wheat stabilization		Inventory	Loans	Total
1950-----	\$1.99	\$2.00	71.3	-----	1,019.3	196.4	11.2	207.6
1951-----	2.18	2.11	78.5	-----	988.2	143.3	22.3	165.6
1952-----	2.20	2.09	78.6	-----	1,306.4	470.0	44.4	514.4
1953-----	2.21	2.04	78.9	-----	1,173.2	774.6	91.0	865.6
1954-----	2.24	2.12	62.5	-----	983.9	975.9	14.7	990.6
1955-----	2.08	1.99	58.2	-----	937.1	950.7	45.1	995.8
1956-----	2.00	1.97	60.7	5.7	1,005.4	823.9	13.8	837.7
1957-----	2.00	1.93	49.8	13.3	955.7	834.9	37.4	872.3
1958-----	1.82	1.75	56.0	6.1	1,457.4	1,146.6	88.0	1,234.6
1959-----	1.81	1.76	56.8	2.3	1,121.1	1,195.4	91.9	1,287.3
1960-----	1.78	1.75	54.9	3.2	1,357.3	1,242.5	125.6	1,368.1
1961-----	1.79	² 1.90	55.6	3.2	1,234.7	1,207.2	100.0	³ 1,307.2
1962 ³ -----	2.00	2.00	42.8	15.9	1,075.0	1,082.8	80.0	1,162.8

¹ For wheat, data shown are as of June 30 of the calendar year following the year of the crop.² As of Mar. 15, 1962.³ Projections based on the 1963 budget estimates.

TABLE 4.—Wheat: Estimated supply and distribution by classes, United States, 1957-61

[In millions of bushels]

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957-58						
Carryover, July 1, 1957.....	648	10	196	13	42	909
Production.....	429	155	169	40	163	956
Imports ¹			11			11
Supply.....	1,077	165	376	53	205	1,876
Exports, including shipments ²	219	30	38	1	118	406
Domestic disappearance ³	245	129	135	27	53	589
Carryover, June 30, 1958.....	613	5	203	25	34	881
1958-59						
Carryover, July 1, 1958.....	613	6	203	25	34	881
Production.....	836	192	233	22	174	1,457
Imports ¹			8			8
Supply.....	1,449	198	444	47	208	2,346
Exports, including shipments ²	259	43	46	1	98	447
Domestic disappearance ³	251	134	147	27	45	604
Carryover, June 30, 1959.....	939	21	251	19	65	1,295
1959-60						
Carryover, July 1, 1959.....	939	21	251	19	65	1,295
Production.....	620	156	151	20	174	1,121
Imports ¹			7			7
Supply.....	1,559	177	409	39	239	2,423
Exports, including shipments ²	292	40	49	1	130	512
Domestic disappearance ³	261	127	142	24	43	597
Carryover, June 30, 1960.....	1,006	10	218	12	66	1,314
1960-61 ⁴						
Carryover, July 1, 1960.....	1,006	10	218	14	66	1,314
Production.....	794	190	188	34	151	1,357
Imports ¹			8			8
Supply.....	1,800	200	414	48	217	2,679
Exports, including shipments ²	430	55	35	6	138	664
Domestic disappearance ³	261	133	142	26	41	603
Carryover, June 30, 1961.....	1,109	12	237	16	38	1,412
1961-62 ^{4 5}						
Carryover, July 1, 1961.....	1,109	12	237	16	38	1,412
Production.....	755	203	116	19	142	1,235
Imports ¹			8			8
Supply.....	1,864	215	361	35	180	2,655
Exports, including shipments ²	468	49	42	15	104	678
Domestic disappearance ³	253	133	139	18	44	587
Carryover, June 30, 1962.....	1,143	33	180	2	32	1,390

¹ Excludes imports for milling-in-bond and export as flour.² Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.³ Wheat for food (including military food use at home and abroad), feed, seed, and industry.⁴ Preliminary.⁵ Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations. Estimated stocks on farms and in interior mills, elevators and warehouses, by kinds, are assumed to be present in about the same proportion as produced; the classes within kinds are established on the basis of the quinquennial wheat-variety surveys. Commercial stocks and CCC inventories are reported by classes. Exports by classes are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour.

Data for 1944-56 in the Wheat Situation, August 1959, p. 12; data for 1929-43 in the Wheat Situation, February 1958, p. 10.

The prospective carryover stocks of the various classes next July 1, as a percentage of the 1956-60 average disappearance (domestic and exports), are as follows: Hard Red Winter, 212 percent; Hard Red Spring, 99 percent; White, 14 percent; Soft Red Winter, 12 percent; and Durum, 7 percent.

The Agricultural Act of 1961, in effect for the 1962 crop, provided a mandatory reduction of 10 percent in farm allotments. This will reduce the crop by about 5½ million acres. The 1962 wheat program also provides that producers may retire additional acreage up to a total of 40 percent of their allotment, or 15 acres, whichever is higher. Signup progress reports through April 16 (table 5) indicate that a large number of producers plan to retire from production more than the required 10 percent of their wheat allotment.

Signup under the 1962 wheat program through April 16, 1962, shows that 821,845 farms have signed up to divert 15,065,300 acres from wheat production to conserving uses. This acreage signed to be diverted is about 27 percent of the 1961 wheat plantings of 55,648,000 acres. The acreage on signed farms totals 45.6 million acres or about 82 percent of the total 55.6 million acres planted to wheat in 1961.

Based on this signup and current crop condition—and recognizing that all farms may not divert the full acreage signed up—the total 1962 wheat crop was last officially estimated by the Department of Agriculture at about 1,116 million bushels. The winter wheat estimate has since been reduced by 30 million bushels. This crop would be about 135 million bushels less than the 1961 crop. In this event, carryover on July 1, 1963, should be about 100 million bushels less than the carryover on July 1, 1962. If the program were not in effect in 1962, production would exceed disappearance by as much as 110 million bushels, making a net reduction as a result of the program, of about 210 million bushels. The May crop report indicates that production of 1962 winter wheat will be down 185 million bushels from 1961.

Illinois	142,857	22,993	16.1	1,763.0	511.9	46.4	116.2	162.6	31.8	349.3	2,064.0	712.4	-----	-----	-----
Indiana	124,565	22,503	18.1	1,341.0	377.5	37.6	122.6	160.2	42.4	217.3	2,022.0	1,020.9	-----	-----	-----
Iowa	16,517	4,017	24.3	1,314.0	391.4	8.5	31.1	39.6	43.3	51.8	493.7	192.5	-----	-----	-----
Kentucky	29,497	8,340	28.3	254.0	118.7	10.9	62.7	52.8	62.7	56.0	746.9	318.4	-----	-----	-----
Michigan	115,614	36,566	31.6	1,126.0	544.7	45.1	215.4	280.5	47.8	284.2	3,414.3	2,164.5	-----	-----	-----
Missouri	142,005	71,367	50.3	1,547.0	1,236.5	104.8	545.8	650.6	52.6	585.9	8,661.4	5,289.0	-----	-----	-----
Ohio	147,776	35,303	23.9	1,494.0	624.1	54.0	190.6	379.5	39.2	378.5	3,144.6	990.3	-----	-----	-----
Wisconsin	14,905	2,527	17.0	60.0	24.0	2.1	14.9	17.0	70.8	7.0	248.7	153.0	-----	-----	-----
Midwest	733,736	203,616	27.8	7,709.0	3,528.8	309.4	1,288.4	1,597.8	45.3	1,931.0	20,795.6	10,811.0	-----	-----	-----
Arizona	1,185	512	43.2	28.0	22.9	2.5	6.4	8.9	38.9	14.0	165.5	125.2	-----	-----	-----
California	6,363	2,222	34.9	376.0	295.0	29.7	68.2	97.9	33.2	197.1	1,012.4	573.5	-----	235	6.9
Colorado	21,447	13,781	64.3	2,620.0	2,275.4	229.2	614.9	844.1	37.1	1,431.3	9,538.7	1,024.4	-----	-----	2,472
Kansas	140,447	106,445	75.8	10,727.0	1,038.6	1,038.6	1,515.5	2,554.1	25.0	7,624.0	29,478.9	6,229.7	-----	-----	-----
Nevada	(3)	17.0	75.8	17.0	1,038.6	1,038.6	1,515.5	2,554.1	25.0	7,624.0	29,478.9	6,229.7	-----	-----	-----
New Mexico	4,636	2,179	47.0	291.0	321.7	34.6	92.2	126.8	39.4	194.9	1,089.3	309.1	-----	-----	-----
Oklahoma	78,355	57,816	73.8	4,887.0	4,593.0	456.8	1,196.6	1,653.4	36.0	2,939.6	18,189.3	3,279.0	-----	-----	-----
Texas	65,538	42,863	65.4	4,087.0	3,736.4	378.0	923.9	1,301.9	34.8	2,434.5	12,004.8	2,070.7	-----	-----	-----
Utah	12,446	3,035	24.4	230.0	159.7	16.1	32.8	48.9	30.6	110.8	484.6	284.8	-----	-----	-----
Southwest	330,417	228,853	69.3	23,243.0	21,582.2	2,185.5	4,450.5	6,636.0	30.7	14,946.2	71,963.5	13,896.4	-----	235	6.9
Idaho	30,366	11,441	37.7	1,166.0	921.8	91.3	173.1	264.4	28.7	657.4	3,869.1	1,663.4	-----	-----	2,472
Minnesota	64,881	25,841	39.8	1,038.0	706.3	67.6	197.7	265.3	37.6	441.0	3,340.6	2,194.2	-----	393	35.2
Montana	24,738	14,492	59.8	4,262.0	3,370.3	326.5	612.3	938.8	27.9	2,431.5	7,847.9	1,705.5	-----	737	85.0
Nebraska	78,751	61,736	78.4	3,390.0	3,024.0	300.7	451.9	752.6	24.9	2,271.4	9,354.0	2,631.4	-----	-----	221.2
North Dakota	64,989	50,634	77.9	6,625.0	5,403.5	542.9	1,367.4	1,910.3	35.4	3,483.2	16,705.4	6,549.0	-----	11,094	966.9
Oregon	16,636	7,696	46.3	832.0	763.1	75.6	116.8	192.4	25.2	570.7	3,113.8	1,721.6	-----	-----	1,252.3
South Dakota	41,957	27,127	64.7	2,560.0	2,414.4	234.2	535.6	769.8	31.9	1,644.6	6,744.2	3,487.9	-----	-----	72.4
Washington	16,366	10,274	62.8	2,051.0	1,912.7	191.9	308.8	500.7	26.2	1,412.0	8,557.8	3,064.6	-----	1,174	50.5
Wyoming	3,819	1,631	42.7	271.0	202.2	20.3	22.9	43.2	21.4	159.0	385.9	204.5	-----	-----	-----
Northwest	342,003	210,871	61.7	22,144.0	18,718.3	1,851.0	3,786.5	5,637.5	30.1	13,080.8	59,918.7	23,212.1	-----	13,398	1,122.8
United States	1,811,066	821,845	45.4	55,648.0	45,643.5	4,495.2	10,570.1	15,065.3	33.0	30,578.2	166,788.3	57,687.0	-----	13,633	1,129.7
													-----	-----	439,257

Noncommercial,

¹ Excludes new wheat farms, whole farms in the conservation reserve program and

^a Data represents approximate acreage from which reduction is being made on participating farms.

The price support level to producers for the 1962 crop was set at \$2 a bushel. The increase in the support level over 1961, coupled with conservation payments, will provide producers 10 to 15 percent more income from the 1962 crop than if the previous program had been continued.

The increase in support levels for the 1962 crop—21 cents above the 1961 rate—has been reflected in prices received by producers for the 1961 crop. The U.S. average price received by wheat farmers in April was \$1.92 a bushel, well above the 1961 support price and 18 cents above the price received a year earlier. The higher price reflects the record export demand, and smaller supplies, as well as the higher support rate for the 1962 crop.

THE PROPOSED WHEAT PROGRAM

The proposed bill would eliminate the minimum national acreage allotment for wheat, set at 55 million acres since the late 1930's—during which time the yield per acre has nearly doubled. This 55-million-acre national allotment would be replaced by an allotment announced each year by the Secretary. This annual allotment would be based on the year's marketing quota, as determined by the requirements for wheat in the coming year and the need to reduce Commodity Credit Corporation wheat stocks. The national allotment would be apportioned to producers in much the same manner as has long been in use.

As in the past, marketing quotas would be applicable only with the approval of at least two-thirds of the producers voting in a referendum. If more than one-third of producers voting in the referendum did not approve the program, there would be no price support and no production limitations.

The new program would be in effect for 1963 and subsequent crops if enacted by the Congress and approved by the President.

Wheat marketing certificates would be issued to each eligible producer to cover his share of the domestic food market and that portion of the export market which was to be supported between 75 and 90 percent of parity.

In connection with the marketing certificates which would be issued under the program, the committee has been advised by the Department that: (1) based on current estimates of utilization of wheat in 1963, it is expected that if the proposed program is approved by the Congress, wheat marketing certificates covering about 925 million bushels of wheat would be issued for the 1963 crop; (2) the price of that quantity of wheat would be supported at approximately \$2 a bushel; (3) stocks of wheat held by CCC would be reduced by approximately 175 million bushels based on current estimates of utilization of wheat of the 1963 crop; and (4) producers would market an estimated 50 million bushels from the normal production on their acreage allotments—without certificates at prices near world price levels. Wheat produced in excess of normal yields on wheat acreage allotments could be marketed but would be eligible for price support at about the world price level, since marketing certificates would not accompany it.

Reductions in CCC stocks would bring about material savings in storage and handling costs and would, in a few years, bring stocks down to desirable levels. When this occurs, acreage allotments and marketing quotas would be increased to a level where production would be near total requirements.

For 1963, 1964, and 1965 only, the bill would authorize the Secretary to make payments to producers for land diverted from the production of wheat to a conservation use. Payments would be authorized at fair and reasonable levels, but could not exceed 50 percent of the higher, of the national or the local support level, times normal production on the acreage diverted for the 1963 crop, 40 percent for the 1964 crop, and 30 percent for the 1965 crop.

The proposed bill would terminate the 15-acre exemption. Producers who have been planting under the exemption would receive an acreage allotment based on their average wheat acreage in the period 1957 to 1961. In effect, this overage acreage would be treated as if it had been a farm acreage allotment. Farms with average acreages of 15 acres or less in that period could elect to participate in the program or to be exempt. If they chose to be exempt, they would not be eligible for price support, marketing certificates, diversion payments, or to vote in the referendum. Producers who elected to be subject to the program would be eligible for payments, price support, marketing certificates, and to vote in the referendum.

The bill provides that the Secretary shall permit growers to produce wheat on feed grain allotments and to produce feed grains on wheat allotments to the extent that such action does not impair the effective operation of the program. The committee has been assured by the Department that it will use these provisions to the maximum extent possible, but that the discretion provided in the bill is essential to best use of this provision.

The committee has also been assured by the Department that in administering these programs, if enacted by the Congress, acreages diverted under wheat and feed grain programs would not be permitted to be planted to fruit trees, nut trees, or vine crops, since these crops in many cases are already subject to marketing regulations.

The bill prohibits wheat farmers from planting wheat in excess of their farm wheat allotment for storage under bond, to be marketed in a subsequent year when production is below normal. In this connection, it is understood that the Department of Agriculture will use, to the maximum extent possible, that part of the national acreage allotment for feed grains which is reserved to the States for establishing feed grain allotments for new farms to provide feed grain allotments to producers who do not have feed grain bases, but who wish to produce wheat to store against a future crop failure. Wheat producers who already have a feed grain allotment could, of course, grow wheat on it if they wish and store it against a future crop failure.

Provisions of the bill which provide for marketing certificates in place of the present price support program, and which would enable producers to plant wheat on their grain acreage, are central features of the proposed wheat program.

The certificates make it possible to distinguish between wheat which is to be marketed for food and export at the support price of between 75 and 90 percent of parity, and wheat which would either move into the export market without a net subsidy expenditure by the Government or would move into feed markets.

Choice of the grain to be grown on feed grain acreage provides wheat farmers, most of whom also produce feed grains, with greater flexibility of operation on their own farm than they had under the wheat program of the 1950's.

These provisions make it possible to distinguish between wheat which would be sold and supported at the higher price level, and wheat which would be sold and have price supports at the lower level—based upon the feed value of wheat and the world market price for wheat.

No firm estimate can be made of the acreage of wheat which would be harvested on feed grain bases if the Secretary permits wheat production to be considered as feed grain production under the bill. The important point is that wheat grown as feed will be in place of other feed grains—not in addition to other feed grains grown. It is understood that the price support for wheat without marketing certificates would need to be at a level which would permit wheat to be priced competitively with corn, and therefore, to move into feed grain marketing channels.

Marketing certificates would have a face value equal to the difference between the price support for noncertificate wheat and the price support on certificate wheat. These would be issued by CCC to each producer, based on the farm acreage allotment, the normal yield per acre on the farm, and the determination of the Secretary of the proportion of the crop which would need to be supported at the higher level in order to achieve the income objectives of the act. Processors and exporters of wheat would be required to purchase certificates in the amount of wheat processed for human consumption and exported. Where a product normally used for human consumption is used for other purposes, means can be established to adjust the processors' liability to obtain marketing certificates.

There is nothing in the proposed wheat program which would add to the cost of flour to bakers or to the cost of bread to consumers. USDA miscellaneous publication 712, "Marketing Margins for White Bread," says: "Farmers' prices don't govern bread prices." The committee has been assured that there would be no material increase in wheat support levels under the program in 1963. From 1948 to 1960 the cost of wheat and other ingredients in a loaf of bread declined 18 percent at the farm, while processing and marketing margins increased 71 percent. Thus, in the 12-year period, the cost of a loaf of white bread increased from 13.9 cents to 20.3 cents, as a national average, or 46 percent, while the price of a bushel of wheat declined from \$1.98 to \$1.76, or 11 percent.

The spread between the farm price of wheat and the retail prices of cereals and bakery products in recent years is shown in the following chart, and the retail price of bread and the farm value of the wheat in it are shown in table 6.

TABLE 6.—*White pan bread: Estimated retail price of a 1-pound loaf and estimated farm value of wheat; average, 1947-49, and annually, 1950-60*

Year	Retail price ¹	Farm value of wheat ²	Year	Retail price ¹	Farm value of wheat ²
1947-49 average.....	13.5	2.7	1956.....	17.9	2.6
1950.....	14.3	2.5	1957.....	18.8	2.6
1951.....	15.7	2.6	1958.....	19.3	2.4
1952.....	16.0	2.6	1959.....	19.7	2.3
1953.....	16.4	2.5	1960.....	20.3	2.3
1954.....	17.1	2.7	1961 ³	20.9	2.4
1955.....	17.9	2.7			

¹ Average of retail prices in urban areas reported by BLS.

² Payment to farmers for 0.894 pound of wheat less imputed value of mill-feed byproducts, based on average price received by farmers for all wheat.

³ Preliminary.

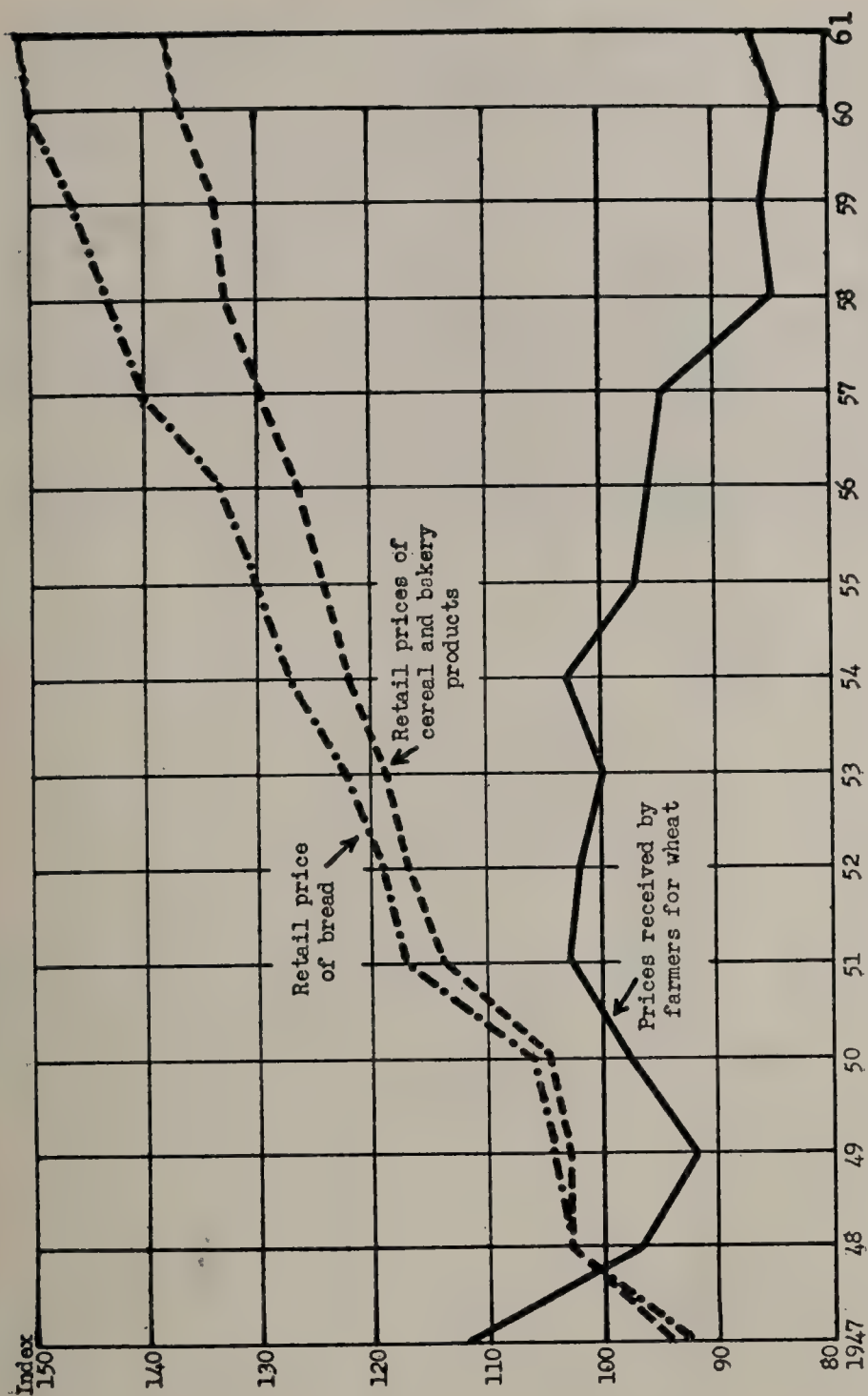


FIGURE 10.—Farm and retail price of bread, cereals, and bakery products, 1947-60 [1947-49=100]

THE FEED GRAIN SITUATION

The supply of feed grains in the current marketing year is estimated at 225.5 million tons, more than 5 million tons less than was available during the previous marketing year. The supply includes a carry-in at the beginning of the year of 85 million tons, more than four times the 1952 carry-in. The supply figure includes a 140.6-million-ton crop in 1961 compared with a 155.5-million-ton crop in the preceding year.

Domestic disappearance in 1961-62 is estimated at 135 million tons and exports at 13.3 million tons. The resulting carryover at the end of the year was last officially estimated at 77.4 million tons, nearly 7.5 million tons less than the total at the end of the 1960-61 marketing year (table 7). April 1 stock reports, however, indicate that corn stocks alone are about 280 million bushels less than last year, and it appears that the reduction accomplished in the current marketing year will likely be larger than previously estimated.

The Department reports that as of March 31, 1962, CCC had approximately \$3,018 million invested in feed grains. Prices, acreages, and CCC holdings for the period 1950-62 are shown in tables 8 and 9.

TABLE 7.—Feed grains: Total supply and disappearance, United States, marketing years, 1950-61¹

[Million tons]

Year	Supply ²			Utilization ²				Carryover at close of year		
	Carryover		Production	Imports ⁴	Total	Livestock feed	Food, industry, seed		Exports ⁴	Total
	Govern- ment ³	Other								
1950	20.9	9.6	113.1	0.8	144.4	95.7	13.7	6.4	115.8	28.6
1951	14.8	13.8	104.8	1.3	134.7	97.7	12.1	4.8	114.6	20.1
1952	9.0	11.1	111.0	1.7	132.8	88.8	11.7	5.3	105.8	27.0
1953	16.6	27.0	108.3	2.2	137.5	89.9	12.1	3.8	105.8	31.7
1954	22.6	114.1	114.1	.9	146.7	89.7	12.4	5.5	107.6	39.1
1955	29.7	9.4	120.8	.8	160.7	96.8	12.5	8.1	117.4	43.3
1956	34.7	43.3	119.3	.9	163.5	94.3	12.6	7.7	114.6	48.9
1957	40.8	48.9	132.4	1.0	182.3	100.9	12.5	9.8	123.2	59.1
1958	49.2	59.1	144.1	.4	203.6	110.4	13.0	12.5	135.9	67.7
1959	57.7	67.7	149.6	.5	217.8	117.2	13.0	12.9	143.1	74.7
1960	65.7	9.0	155.5	.4	230.6	120.9	13.0	12.0	145.6	84.7
1961 ⁵	75.0	9.7	140.6	.5	225.5	121.8	13.0	13.3	148.1	77.4
1962	67.4	10.0								

¹ Revised 1955-59 on basis of 1959 Census of Agriculture.² October-September year for corn and sorghum grain, July-June year for oats and barley.³ Under loan or owned by CCC. Includes an allowance for purchase agreement deliveries of corn after Oct. 1 and oats and barley after July 1.⁴ Imports and exports include grain equivalent of products.⁵ Preliminary.

TABLE 7a.—*Feed grains: Supplies and utilization, United States, annual, 1950-62*

[Million-bushels]

CORN

Market- ing year begin- ning ¹	Supply				Utilization				
	Carry- over	Produc- tion	Imports	Total	Live- stock feed	Food and indus- trial use	Seed	Exports ²	Total
1950.....	844	2,764	1	3,609	2,482	268	12	107	2,869
1951.....	740	2,629	1	3,370	2,555	240	12	76	2,883
1952.....	487	2,981	1	3,469	2,312	236	12	140	2,700
1953.....	769	2,882	1	3,652	2,387	236	13	56	2,732
1954.....	920	2,708	1	3,629	2,242	248	12	92	2,594
1955.....	1,035	2,873	1	3,909	2,366	258	12	108	2,744
1956.....	1,165	3,075	1	4,241	2,377	268	11	165	2,821
1957.....	1,420	3,045	2	4,467	2,534	269	11	183	2,997
1958.....	1,470	3,356	1	4,827	2,781	289	13	214	3,297
1959.....	1,530	3,825	1	5,356	3,056	289	12	212	3,569
1960.....	1,787	3,908	1	5,696	3,112	290	10	276	3,688
1961 ³	2,008	3,624	1	5,633	3,200	298	10	325	3,833
1962 ⁴	1,800								

OATS

1950.....	208	1,369	30	1,607	1,180	37	101	3	1,321
1951.....	286	1,278	62	1,626	1,206	36	105	2	1,349
1952.....	277	1,217	69	1,563	1,169	36	108	1	1,314
1953.....	249	1,153	80	1,482	1,101	36	118	(⁵)	1,255
1954.....	227	1,410	20	1,657	1,185	37	119	13	1,354
1955.....	303	1,496	3	1,802	1,280	38	111	26	1,455
1956.....	347	1,151	17	1,515	1,106	39	105	25	1,275
1957.....	240	1,290	25	1,555	1,069	40	95	26	1,230
1958.....	325	1,401	3	1,729	1,202	41	88	30	1,361
1959.....	368	1,052	2	1,422	991	42	79	43	1,155
1960.....	267	1,155	1	1,423	948	42	81	27	1,098
1961 ³	325	1,013	2	1,340	931	42	80	12	1,065
1962 ⁴	275								

BARLEY

1950.....	80	304	14	397	145	101	18	40	304
1951.....	94	257	13	364	151	93	15	31	290
1952.....	73	228	25	326	134	88	16	37	275
1953.....	51	247	38	336	131	91	24	19	265
1954.....	71	379	24	474	186	88	26	43	343
1955.....	131	403	28	562	228	90	24	103	445
1956.....	117	377	27	521	217	89	26	62	394
1957.....	127	443	24	594	221	87	26	92	426
1958.....	168	477	14	659	231	90	26	117	464
1959.....	195	422	18	635	233	92	25	118	468
1960.....	167	431	15	613	259	90	25	86	460
1961 ³	153	393	20	566	254	90	22	60	426
1962 ⁴	140								

SORGHUM GRAIN

1950.....	60	233	(⁶)	293	141	37	2	75	255
1951.....	38	163	(⁶)	201	115	12	2	62	191
1952.....	10	91	(⁶)	101	77	4	2	10	93
1953.....	7	116	(⁶)	123	79	5	2	15	101
1954.....	22	236	(⁶)	258	124	8	3	48	183
1955.....	75	243	(⁶)	318	160	8	3	66	237
1956.....	81	205	(⁶)	286	173	9	3	22	207
1957.....	79	568	(⁶)	647	269	9	3	57	338
1958.....	309	581	(⁶)	890	268	9	3	100	380
1959.....	510	555	(⁶)	1,065	370	12	2	100	484
1960.....	581	620	(⁶)	1,201	416	11	2	70	499
1961 ³	702	483	(⁶)	1,185	403	10	2	70	485
1962 ⁴	700								

¹ Marketing year beginning Oct. 1 for corn and sorghum grain; July 1 for oats and barley.² Corn, sorghum grain and oats, grain only; barley includes grain equivalent of malt.³ Preliminary.⁴ Based on indications in March 1962.⁵ Less than 500,000 bushels.⁶ Not reported separately.

TABLE 8.—*Relationship of support prices and acreage diversion to production and CCC holdings of corn, 1950-62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (for grain) (bushels)	CCC holdings at end of marketing year for crop (bushels) ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inven- tory	Loans	Total
1950.....	\$1.47	\$1.52	82.9	-----	2,764.1	402.8	84.7	487.5
1951.....	1.57	1.66	83.3	-----	2,628.9	290.7	15.5	306.2
1952.....	1.60	1.51	82.2	-----	2,980.8	236.0	277.8	513.8
1953.....	1.60	1.48	81.6	-----	2,881.8	353.7	362.7	716.4
1954.....	1.62	1.43	82.2	-----	2,708.9	621.5	236.1	857.6
1955.....	1.58	1.35	80.9	-----	2,873.0	748.5	360.7	1,109.2
1956.....	1.50	1.29	77.8	5.3	3,075.3	873.3	386.6	1,259.9
1957.....	1.40	1.11	73.2	6.1	3,045.4	1,077.1	276.7	1,353.8
1958.....	1.36	1.12	73.4	8.1	3,356.2	1,184.3	216.3	1,400.6
1959.....	1.12	1.04	82.7	3.5	3,824.6	1,312.8	389.4	1,702.2
1960.....	1.06	1.00	81.7	4.6	3,908.1	1,371.0	556.3	1,927.3
1961.....	1.20	² .97	67.0	23.7	3,624.3	1,011.2	765.5	³ 1,776.7
1962 ³	1.20	1.02	67.0	21.3	3,540.0	820.0	810.0	⁴ 1,630.0

¹ For corn, data shown are as of September 30 of the calendar year following the year of the crop.² As of Mar. 15, 1962.³ Projected on basis of 1963 budget.⁴ As of June 30, 1963.TABLE 9.—*Relationship of support prices and acreage diversion to production and CCC holdings of grain sorghums, 1950-62 crops*

[All figures except prices are in millions]

Crop	Price per bushel		Acreage		Production (bushels)	CCC holdings at end of marketing year (bushel) ¹		
	Support price	Average farm price	Planted	Diverted under soil bank and feed grain		Inven- tory	Loans	Total
1950.....	\$1.05	\$1.05	16.1	-----	233.5	17.2	1.5	18.7
1951.....	1.22	1.32	15.0	-----	162.9	.5	.6	1.1
1952.....	1.33	1.58	12.3	-----	90.7	.1	2.9	3.0
1953.....	1.36	1.32	14.6	-----	115.7	21.7	12.7	34.4
1954.....	1.28	1.26	20.1	-----	235.6	68.0	8.1	76.1
1955.....	1.00	.98	23.9	-----	242.6	76.2	12.2	88.4
1956.....	1.10	1.15	21.4	-----	204.9	75.1	24.8	99.9
1957.....	1.04	.97	26.9	1.9	567.5	294.8	35.5	330.3
1958.....	1.02	1.00	20.7	2.6	581.0	490.6	24.8	515.4
1959.....	.85	.86	19.5	3.5	555.2	561.6	22.2	583.8
1960.....	.85	.84	19.6	3.9	619.9	673.4	43.3	716.7
1961.....	1.08	² .94	14.4	10.0	482.6	649.0	32.4	³ 681.4
1962 ³	1.08	.97	14.4	9.3	450.0	⁴ 645.0	⁴ 24.5	⁴ 669.5

¹ For grain sorghums, data shown are as of September 30 of the calendar year following the year of the crop.² As of Mar. 15, 1962.³ Projected on basis of 1963 budget.⁴ As of June 30, 1963.

The 1961 emergency feed grain program successfully reduced production, carryover, and CCC stocks despite the unusually favorable weather experienced in the Corn Belt during the growing season just past. Net farm income in 1961 was a billion dollars more than in 1960, partly because of the feed grain program, but consumer food prices did not increase.

Had the 1961 program not been in effect, production of corn would have been about 350 million bushels in excess of disappearance. Because of the program, stocks of corn will decline more than 200 million bushels—a net difference of 550 million bushels. Without the 1961 program sorghum production would have been about 175 million bushels larger. Excess production of both corn and sorghums, if the 1961 program had not been in effect, would have passed into Government hands, increasing rather than decreasing CCC stocks and taxpayer expenditures.

Final results of the 1961 program are provided in tables 10 through 15. Salient points relating to this program also include:

1. The sale of CCC grain through April 20 represents over 90 percent of the funds spent during 1961 to meet the pledges of farmers to retire croplands to conserving uses.
2. During the time these sales have been made, the market price for corn and grain sorghums has remained at a higher level than during the comparable period in 1960.
3. Retail food prices paid by consumers for meat, poultry and dairy products have shown great stability during the period of the program. These are the products which the feed grain market affects directly.
4. Net farm income in 1961 was about \$1 billion higher than in 1960—a rise of more than 8 percent. A large part of this gain can be attributed to the feed grain program and higher support prices for major farm commodities and to increased cash marketings.
5. The taxpayer will benefit by millions of dollars in immediate reductions in storage, transportation, handling and interest charges on grain which is now moving into the market. Government expenditures over the next 9 years will be approximately \$600 million less because of the lower level of feed grain carryover.

THE 1961 FEED GRAIN PROGRAM

TABLE 10.—Comparison of supply and utilization data and value of production with and without the 1961 feed grain program

[Millions, except prices and yields]

	Corn			Sorghum grains		
	Market- ing year 1960-61	Marketing year 1961-62		Market- ing year 1960-61	Marketing year 1961-62	
		With feed grain pro- gram	Without feed grain program		With feed grain pro- gram	Without feed grain program
Acreage planted.....	81.7	67.0	81.4	19.6	14.4	19.3
Acreage harvested.....	71.6	58.7	71.4	15.6	11.0	15.3
Yield per harvested acre bushels.....	54.5	61.8	59.4	39.8	43.8	43.0
Carry-in (Oct. 1).....	1,787	2,008	2,008	581	702	702
Production.....	3,908	3,624	4,241	620	483	660
Imports.....	1	1	1			
Total.....	5,696	5,633	6,250	1,201	1,185	1,362
Domestic utilization.....	3,400	3,493	3,560	429	415	442
Exports.....	288	340	340	70	70	70
Total disappearance.....	3,688	3,833	3,900	499	485	512
Carry-out (Sept. 30).....	2,008	1,800	2,350	702	700	850.0
Support prices:						
Amount (per bushel).....	\$1.06	\$1.20	\$1.05	\$0.85	\$1.08	\$0.85
Percent of parity.....	65.0	74.1	65.0	60.8	77.8	61.6
Average market price (per bushel).....	\$0.990	\$1.05	\$0.97	\$0.862	\$0.92	\$0.82
Season average price (per bushel).....	\$0.996	\$1.07	\$0.98	\$0.837	\$0.955	\$0.83
Value of production.....	3,892	3,890	4,122	515	459	548
Payments for acreage diver- sion.....		645			137	
Total.....	3,892	4,535	4,122	515	596	548

TABLE 11.—Estimated savings resulting from the 1961 feed grain program

[In millions of dollars]

Element of cost	Corn	Grain sorghums	Total
1. Acquisition costs avoided.....	+\$289	+\$64	+\$353
2. Carrying costs avoided.....	+583	+260	+843
3. Interest savings.....	+164	+47	+211
4. Land retirement payments.....	-645	-137	-782
5. Administrative expenses.....	-34	-8	-42
Net savings.....	+357	+226	+583

NOTE.—Assumptions used for each element of cost:

1. Acquisition costs avoided: The difference in total carryout with a feed grain program was subtracted from total carryout without a feed grain program. This difference was priced at the old price support rate less a salvage value of 50 percent to determine net acquisition costs avoided. The acquisitions avoided used to arrive at above costs were 550 million bushels for corn and 150 million bushels for grain sorghums.

2. Carrying costs avoided: Carrying costs for storage, transportation and, in-and-out charges were computed to ultimate disposition for acquisitions avoided. Number of years estimated to dispose of acquisitions avoided were 9 years for corn and 11 years for grain sorghums.

3. Interest savings: Net savings in interest expenses were computed for number of years estimated to dispose of acquisitions avoided. This includes interest savings on acquisition costs and carrying charges less additional interest expense for land retirement payments and other operating costs.

4. Land retirement payments: Estimates for advance and final payments to producers for reducing 1961 acreages of corn and grain sorghums.

5. Administrative expenses: This includes printing costs and estimates for the operation of the feed grain program at the national, State, and county level.

TABLE 12.—*Total base acres of corn and grain sorghums and base acres of corn and grain sorghum on farms participating in the program*¹

State	Corn			Grain sorghums		
	Total base acres on all farms (thousands)	Base acres on participating farms (thousands)	Percent of total base on participating farms	Total base acres on all farms (thousands)	Base acres on participating farms (thousands)	Percent of total base on participating farms
	(1)	(2)	(3)	(4)	(5)	(6)
Maine.....	11.0	0.5	4.5			
New Hampshire.....	11.5					
Vermont.....	59.5	1.4	2.4			
Massachusetts.....	31.5	.2	.6			
Rhode Island.....	6.0	(2)				
Connecticut.....	41.0	1.9	4.6			
New York.....	662.8	295.1	44.5			
New Jersey.....	188.2	67.9	36.1			
Pennsylvania.....	1,286.7	264.9	20.6	11.4	1.2	10.1
Ohio.....	4,115.4	1,947.8	47.3	1.2	.5	41.7
Indiana.....	5,481.2	2,967.7	54.1	18.7	14.3	76.5
Illinois.....	10,823.0	6,203.1	57.3	25.1	16.1	64.1
Michigan.....	2,315.4	961.8	41.5	(2)	(2)	
Wisconsin.....	2,989.5	1,161.4	38.8	.1	.1	100.0
Minnesota.....	7,131.2	4,331.5	60.7	4.4	2.8	63.6
Iowa.....	13,118.3	8,433.3	64.3	65.7	52.8	80.4
Missouri.....	4,791.8	3,511.2	73.3	594.9	451.8	75.9
North Dakota.....	1,389.2	1,252.5	90.2	.5	.5	100.0
South Dakota.....	4,497.4	2,476.7	55.1	225.2	145.4	64.6
Nebraska.....	7,248.4	5,564.1	76.8	1,824.4	1,722.4	94.4
Kansas.....	2,142.4	1,566.2	73.1	5,709.8	4,718.6	82.6
Delaware.....	157.2	74.2	47.2	(2)	(2)	
Maryland.....	522.7	160.9	30.8	.9	.1	11.1
Virginia.....	314.1	231.0	28.4	18.5	4.4	23.8
West Virginia.....	147.9	14.9	10.1	.2	(1)	
North Carolina.....	2,054.4	932.5	45.4	120.4	43.9	36.5
South Carolina.....	967.1	388.2	40.1	51.1	10.5	20.5
Georgia.....	2,880.0	737.3	25.6	69.8	19.9	28.5
Florida.....	632.3	272.1	43.0	6.9	1.9	27.5
Kentucky.....	1,860.9	950.5	51.1	27.7	17.1	61.7
Tennessee.....	1,663.4	721.4	43.4	61.6	30.6	49.7
Alabama.....	2,024.9	782.8	38.7	35.2	16.1	45.7
Mississippi.....	1,386.4	433.3	31.3	56.9	26.3	46.2
Arkansas.....	398.2	122.2	30.7	98.5	27.8	28.2
Louisiana.....	550.0	133.8	24.3	16.8	6.1	36.3
Oklahoma.....	276.7	96.6	34.9	1,478.6	924.3	62.5
Texas.....	1,514.2	770.6	50.9	8,416.3	6,141.4	73.0
Montana.....	110.4	82.9	75.1			
Idaho.....	81.0	11.2	13.8	2.7	.2	7.4
Wyoming.....	62.5	25.6	41.0	3.7	.9	24.3
Colorado.....	481.4	247.5	51.4	732.9	597.7	81.6
New Mexico.....	46.0	10.2	22.2	375.2	283.9	75.7
Arizona.....	33.6	4.3	12.8	191.2	125.2	65.5
Utah.....	50.8	11.0	21.7	.8	.4	50.0
Nevada.....	4.5	1.2	26.7	.8	.1	12.5
Washington.....	87.2	34.9	40.0	9.9	4.9	49.5
Oregon.....	65.0	25.9	39.8	.5	.3	60.0
California.....	141.6	79.3	56.0	277.8	180.2	64.9
U.S. total.....	87,355.3	48,365.5	55.4	20,536.3	15,590.3	75.9

¹ Based on data reported to Grain Division by ASCS State offices.² Less than 50 acres.

TABLE 13.—Acres of corn and grain sorghums diverted for payment and value of payments earned ¹

State	Corn		Grain sorghums		Total corn and grain sorghums	
	Final acres diverted (thousands)	Value of payments (thousands)	Final acres diverted (thousands)	Value of payments (thousands)	Final acres diverted (thousands)	Value of payments (thousands)
	(1)	(2)	(3)	(4)	(5)	(6)
Maine.....	0.3	\$14.4			0.3	\$14.4
New Hampshire.....						
Vermont.....	.9	38.0			.9	38.0
Massachusetts.....	.2	7.3			.2	7.3
Rhode Island.....	(2)	.9			(2)	.9
Connecticut.....	1.0	48.0			1.0	48.0
New York.....	172.5	6,644.3			172.5	6,644.3
New Jersey.....	37.4	1,898.9			37.4	1,898.9
Pennsylvania.....	158.8	6,774.6	0.8	\$20.6	159.6	6,795.2
Ohio.....	995.2	42,653.3	.2	6.8	995.4	42,660.1
Indiana.....	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9
Illinois.....	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4
Michigan.....	531.5	18,293.5	(2)	.7	531.5	18,294.2
Wisconsin.....	549.1	23,381.1	(2)	.2	549.1	23,381.3
Minnesota.....	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1
Iowa.....	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8
Missouri.....	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8
North Dakota.....	406.4	5,515.5	.2	2.2	406.6	5,517.7
South Dakota.....	818.5	14,484.2	69.3	1,237.3	887.8	15,721.5
Nebraska.....	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9
Kansas.....	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9
Delaware.....	36.9	1,512.7	(2)	.2	36.9	1,512.9
Maryland.....	77.4	3,129.0	(2)	2.2	77.4	3,131.2
Virginia.....	125.5	4,333.3	1.8	43.0	127.3	4,376.3
West Virginia.....	8.9	406.6	(2)	.3	8.9	406.9
North Carolina.....	492.9	15,661.6	26.3	578.5	519.2	16,240.1
South Carolina.....	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Georgia.....	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Florida.....	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Kentucky.....	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Tennessee.....	432.2	11,517.2	16.4	352.6	448.6	11,869.8
Alabama.....	407.2	7,547.6	6.5	100.3	413.7	7,647.9
Mississippi.....	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Arkansas.....	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Louisiana.....	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Oklahoma.....	59.4	1,528.4	445.5	7,357.0	504.9	8,885.4
Texas.....	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Montana.....	39.9	591.6			39.9	591.6
Idaho.....	6.7	334.4	(2)	2.2	6.7	336.6
Wyoming.....	11.8	369.0	.5	9.1	12.3	378.1
Colorado.....	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
New Mexico.....	5.4	205.5	100.7	2,424.7	106.1	2,630.2
Arizona.....	1.7	61.6	54.7	2,128.8	56.4	2,190.4
Utah.....	7.2	251.3	.2	5.0	7.4	256.3
Nevada.....	.8	24.0	(2)	.8	.8	24.8
Washington.....	16.8	965.6	2.3	83.5	19.1	1,049.1
Oregon.....	15.2	819.8	.1	3.1	15.3	822.9
California.....	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
U.S. total.....	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

¹ Based on data reported to Grain Division by ASCS State offices.² Less than 50 acres.

TABLE 14.—*Extent of farms participating in the program*¹

State	Indicated total number of corn and/or grain sorghum farms	Number of farms signed to participate	Number of farms par- ticipating in program	Percent of total number of farms participating
	(1)	(2)	(3)	(4)
Maine.....	946	44	39	4.1
New Hampshire.....	970			
Vermont.....	3,880	90	85	2.2
Massachusetts.....	1,911	13	12	.6
Rhode Island.....	291	1	1	.3
Connecticut.....	2,325	92	90	3.9
New York.....	41,206	16,168	15,036	36.5
New Jersey.....	6,447	1,941	1,922	29.8
Pennsylvania.....	81,526	14,928	14,565	17.9
Ohio.....	157,039	60,990	59,817	38.1
Indiana.....	156,730	66,579	65,683	41.9
Illinois.....	208,445	104,968	100,856	48.4
Michigan.....	96,664	34,400	33,806	35.0
Wisconsin.....	120,565	35,555	32,669	27.1
Minnesota.....	126,995	64,231	63,134	49.7
Iowa.....	191,603	108,730	106,748	55.7
Missouri.....	148,999	82,352	81,253	54.5
North Dakota.....	27,474	20,160	19,853	72.3
South Dakota.....	61,376	30,164	29,668	48.3
Nebraska.....	106,827	76,370	75,473	70.6
Kansas.....	121,606	84,251	82,936	68.2
Delaware.....	5,077	1,807	1,783	35.1
Maryland.....	21,714	4,151	4,107	18.9
Virginia.....	66,471	15,257	14,756	22.2
West Virginia.....	13,899	897	880	6.3
North Carolina.....	169,422	53,700	52,899	31.2
South Carolina.....	67,279	18,066	17,554	26.1
Georgia.....	83,032	14,143	13,727	16.5
Florida.....	16,177	4,615	4,529	28.0
Kentucky.....	114,963	40,200	39,705	34.5
Tennessee.....	106,576	36,255	35,675	33.5
Alabama.....	108,263	29,816	29,424	27.2
Mississippi.....	85,573	18,197	17,763	20.8
Arkansas.....	33,340	5,603	5,459	16.4
Louisiana.....	33,045	5,341	5,213	15.8
Oklahoma.....	50,838	22,912	22,212	43.7
Texas.....	168,357	80,384	77,334	45.9
Montana.....	2,966	1,674	1,654	55.8
Idaho.....	6,486	501	483	7.4
Wyoming.....	2,150	527	516	24.0
Colorado.....	17,758	8,057	7,880	44.4
New Mexico.....	5,495	2,363	2,320	42.2
Arizona.....	2,281	1,225	1,196	52.4
Utah.....	3,731	706	690	18.5
Nevada.....	164	45	44	26.8
Washington.....	3,289	1,132	1,097	33.4
Oregon.....	2,806	1,123	1,104	39.3
California.....	5,969	2,824	2,738	45.9
U.S. total.....	2,860,946	1,173,548	1,146,388	40.1

¹ Based on data reported to Grain Division by ASCS State offices.

TABLE 15.—*Summary of planted acreage, base acreage, and acreage diverted for payment, by participating and nonparticipating farms*

[Million acres]

Item	Corn	Sorghum grain	Total
I. Participating farms:			
(a) 1959-60 planted acreage.....	45.3	14.4	59.7
(b) 1961 base acreage.....	48.4	15.6	64.0
(c) Net adjustment in base ((b)-(a)).....	3.1	1.2	4.3
(d) Acreage diverted for payment.....	19.1	6.1	25.2
(e) Permitted acreage ((b)-(d)).....	29.3	9.5	38.8
(f) 1961 planted acreage.....	25.3	7.3	32.6
(g) Underplantings ((e)-(f)).....	4.0	2.2	6.2
II. Nonparticipating farms:			
(a) 1959-60 planted acreage.....	36.9	5.2	42.1
(b) 1961 base acreage.....	39.0	4.9	43.9
(c) 1961 planted acreage.....	41.7	7.1	48.8
(d) Overplantings ((c)-(a)).....	4.8	1.9	6.7

The Agricultural Act of 1961 continued the program for the 1962 crop of corn and grain sorghums and provided a similar program for the 1962 barley crop.

These 1962 programs have been greeted by farmers with enthusiasm, and through April 16, 1962, the acreage signed up for diversion exceeds that signed up under the 1961 program, as shown in tables 16 and 17.

Through this date, 1,221,807 corn and sorghum farmers signed up to divert 29,590,000 acres to conservation uses, and 119,794 barley farmers signed up to divert 3,093,600 acres. The percentage of the total base acreage on farms signed up is as follows: corn, 58.5; sorghums, 74.1; and barley, 49.

While it is recognized that all farms may not divert the full acreage signed up, and it is too early to hazard a guess on growing weather, the 1962 crop is expected to be about the same as that produced in 1961, and that carryover and CCC stocks will be reduced by another 7 to 8 million tons, during the 1962-63 marketing year.

Diversion payments in the 1962 program are estimated at about \$900 million.

TABLE 16.—Corn and grain sorghums: Report on signup under 1962 feed grain program through Apr. 16, 1962

State	Corn							
	Estimated total number of corn and/or grain sorghum farms (1)	Number of farms signed up (2)	Percent of total farms signed up (3)	Estimated base acre- age 1 on all farms (thousands) (4)	Base acreage 1 on farms signed up (thousands) (5)	Percent of total base on signed farms (6)	Intended di- verted acres on farms signed up (thousands) (7)	Percent diverted (cols. 7 plus 5) (8)
Connecticut.....	1,887	154	8.2	34	3.2	9.4	2.0	62.5
Delaware.....	4,993	1,646	33.0	159	67.9	42.7	36.6	53.9
Maine.....	21,179	56	63.6	10	0.7	7.0	.6	85.7
Maryland.....	1,000	3,998	18.9	510	138.3	27.1	76.6	55.4
Massachusetts.....	970	19	1.9	26	.4	1.5	.3	75.0
New Hampshire.....	5,730	2,365	41.3	156	77.4	49.6	46.9	60.6
New Jersey.....	41,199	16,897	41.0	675	321.3	47.6	210.0	65.4
New York.....	85,838	18,341	21.4	1,239	311.1	25.1	209.5	67.3
Pennsylvania.....	200	2	.7	5	1	2.0	(3)	
Rhode Island.....	3,888	96	2.5	48	1.8	3.8	1.3	72.2
Vermont.....	69,624	19,989	28.7	774	284.4	36.7	182.3	64.1
Virginia.....	7,868	1,652	21.0	128	24.2	18.9	16.9	69.8
West Virginia.....								
Northeast.....	244,554	65,215	26.7	3,774	1,230.8	32.6	783.0	63.6
Alabama.....	107,815	37,854	35.1	2,053	966.6	47.1	587.3	60.8
Arkansas.....	27,581	6,857	24.9	377	147.8	39.2	98.4	66.6
Florida.....	15,242	6,054	39.7	602	336.0	55.8	163.9	48.8
Georgia.....	72,984	25,182	34.5	2,743	1,244.4	45.4	611.5	49.1
Louisiana.....	30,968	8,480	27.4	432	196.1	45.4	120.2	61.3
Mississippi.....	83,861	25,950	30.9	1,251	592.2	47.3	352.0	59.4
North Carolina.....	148,134	63,421	42.8	1,251	592.2	53.8	653.1	59.9
South Carolina.....	60,655	23,643	39.0	2,026	1,089.6	55.5	283.5	59.1
Tennessee.....	108,641	45,262	41.7	864	479.7	55.6	579.5	68.0
Southeast.....	655,881	242,703	37.0	11,883	5,905.2	49.7	3,449.4	58.4

Illinois.....	207,595	97,365	46.9	10,764	6,298.6	58.5	2,356.3	37.4
Indiana.....	156,118	66,042	42.7	5,556	2,938.4	52.9	1,429.6	48.7
Iowa.....	189,820	114,178	60.2	13,225	9,136.3	69.1	3,429.8	37.5
Kentucky.....	96,993	43,982	45.3	1,760	955.0	54.3	617.7	64.7
Michigan.....	94,321	39,897	42.3	2,146	1,096.4	51.1	676.9	61.7
Missouri.....	141,926	82,717	58.3	4,766	3,995.7	83.8	2,166.8	54.2
Missouri.....	153,373	57,570	37.5	3,825	1,750.6	45.3	1,010.5	57.7
Ohio.....	117,862	36,334	30.8	3,019	1,249.8	41.4	670.3	53.6
Wisconsin.....	1,158,008	538,685	46.5	45,061	27,420.8	60.9	12,357.9	45.1
Midwest.....								
Arizona.....	2,208	905	41.0	30	3.8	12.7	1.8	47.4
California.....	6,240	2,209	35.4	146	69.3	47.5	35.1	50.6
Colorado.....	17,395	7,772	44.7	492	246.3	50.1	123.0	50.8
Kansas.....	122,422	72,476	59.2	2,097	1,413.4	67.4	644.3	45.6
Nevada.....	164	7	4.3	4	1	2.5	1	100.0
New Mexico.....	5,176	2,480	47.9	38	14.7	38.7	8.4	57.1
Oklahoma.....	46,427	21,345	46.0	241	100.9	41.9	74.1	73.4
Texas.....	163,912	84,682	51.7	1,520	881.7	58.0	419.7	47.6
Utah.....	3,675	593	16.1	46	9.3	20.2	6.4	68.8
Southwest.....								
Idaho.....	367,619	192,479	52.4	4,614	2,739.5	59.4	1,314.9	48.0
Minnesota.....	5,913	875	14.8	80	17.5	21.9	11.8	67.4
Montana.....	126,868	65,263	51.4	7,294	4,640.1	63.6	1,810.9	39.0
Nebraska.....	2,914	1,233	42.3	118	64.5	54.7	33.3	51.6
North Dakota.....	105,638	71,762	67.9	7,298	5,331.7	73.1	1,878.3	35.2
Oregon.....	27,497	14,642	53.2	1,427	801.1	56.1	379.6	47.4
South Dakota.....	2,768	1,037	37.5	53	25.6	48.3	16.4	64.1
Washington.....	61,086	26,028	42.6	4,573	2,288.7	50.0	808.7	35.3
Wyoming.....	3,046	1,380	45.3	87	45.3	52.1	24.9	55.0
Northwest.....	2,099	515	24.5	64	24.7	38.6	12.2	49.4
United States.....	337,849	182,725	54.1	20,994	13,239.2	63.1	4,976.1	37.6
	2,763,911	1,221,807	44.2	86,325	50,535.5	58.5	22,881.3	45.3

¹ 1959-60 average acreage of field corn planted for all purposes plus the acreage of sweet corn utilized as silage adjusted, where necessary, for abnormal factors affecting plantings.

² 1959-60 average acreage of grain sorghums or dual purpose varieties planted for harvest as grain, sage, or fodder adjusted, where necessary, for abnormal factors affecting plantings.

³ Less than 50.

Source: Grain Division, ASCS, Department of Agriculture, Washington, Apr. 26, 1962.

TABLE 16.—*Corn and grain sorghums: Report on signup under 1962 feed grain program through Apr. 16, 1962—Continued*

State	Grain sorghums					Total value of permissible advance payments		Value of sight drafts issued to date (thousands)	Value of certificates issued for feed grain (thousands)
	Estimated base acreage ¹ on all farms (thousands)	Base acreage ² on farms signed up (thousands)	Percent of total base on signed farms	Intended diverted acres on farms signed up (thousands)	Percent (col. 12 plus 10)	Corn (thousands)	Grain sorghums (thousands)		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Connecticut.....						42.8		10.3	
Delaware.....	0.7	0.1	14.2	(³)		716.5	0.4	570.3	
Maine.....	3.8	.6	15.8	0.3	50.0	11.3		2.9	
Maryland.....						1,411.3	3.2	694.9	
Massachusetts.....						5.8		1.5	
New Hampshire.....	3.5	.9	25.7	.5	55.6	1,108.7	7.7	427.2	
New Jersey.....	4.2	1.7	40.5	1.2	70.6	3,760.8	15.1	2,748.5	1.5
New York.....	9.4	1.3	13.8	1.0	76.9	4,190.4	13.0	3,044.7	.8
Pennsylvania.....						.7			
Rhode Island.....									
Vermont.....	11.9	4.5	37.8	2.6	57.8	25.8		9.1	
Virginia.....	.1	(³)		(³)		2,872.8	27.2	2,213.2	
West Virginia.....						365.3	.2	261.2	
Northeast.....	33.6	9.1	27.1	5.6	61.5	14,512.2	66.8	9,983.8	2.3
Alabama.....	40.1	17.4	43.4	8.4	48.3	5,066.6	58.9	4,125.4	
Arkansas.....	75.9	33.1	43.6	15.5	46.8	1,175.0	157.0	1,094.2	
Florida.....	4.7	2.2	46.8	1.6	72.7	1,518.9	17.8	1,462.9	
Georgia.....	49.7	26.0	52.3	13.8	53.1	5,955.3	121.5	4,798.9	.3
Louisiana.....	13.9	7.6	54.7	4.0	52.6	1,470.3	44.7	1,334.9	
Mississippi.....	45.8	33.8	73.8	16.7	49.4	3,563.3	188.9	3,358.5	
North Carolina.....	103.1	43.0	41.7	29.6	68.8	9,694.8	303.3	9,523.4	
South Carolina.....	30.9	15.2	49.2	9.0	59.2	2,792.5	63.8	2,365.9	
Tennessee.....	73.0	34.3	47.0	21.3	62.1	7,252.1	211.4	6,093.0	7.9
Southeast.....	437.1	212.6	48.6	119.9	56.4	38,498.8	1,167.3	34,157.1	8.2

Illinois.....	19.1	15.1	79.1	8.4	55.6	47,584.4	115.2	34,938.6	170.9
Indiana.....	19.6	11.5	58.7	5.8	50.4	27,542.4	87.6	21,714.6	225.6
Iowa.....	67.6	51.5	70.2	24.9	48.3	62,454.7	358.5	45,097.3	8,389.1
Kentucky.....	33.5	15.9	47.5	8.3	52.2	9,058.2	106.2	7,523.0	28.4
Michigan.....	33.2	(4)	77.3	(4)	50.3	11,408.7	2,973.8	7,382.2	3,271.7
Missouri.....	632.8	489.4	28.6	246.4	50.0	31,074.0	2,973.8	23,668.1	299.6
Ohio.....	1.4	.4	50.0	.2	100.0	20,171.1	5.5	13,486.9	333.0
Wisconsin.....	.2	.1	50.0	.1	100.0	13,097.7	.5	10,219.5	12,718.3
Midwest.....	774.4	583.9	75.4	294.1	50.4	222,391.2	3,647.9	164,030.2	1.5
Arizona.....	166.8	105.3	63.1	45.0	42.7	29.7	815.7	665.7	13.4
California.....	266.4	143.3	53.8	59.6	41.6	755.8	1,203.7	870.2	.3
Colorado.....	794.1	594.4	74.9	241.9	40.7	1,820.8	1,473.8	1,368.1	15.2
Kansas.....	5,633.3	3,975.4	70.6	1,712.1	43.1	8,082.7	15,933.4	12,601.6	501.8
Nevada.....	382.6	(4)	79.1	(4)	39.2	147.4	1,228.8	1,051.7	564.5
New Mexico.....	1,447.5	302.7	60.1	118.6	53.1	819.6	3,422.3	2,312.7	58.0
Oklahoma.....	8,772.4	870.5	78.7	462.1	42.8	3,709.6	32,364.0	24,830.9	1.2
Texas.....	.4	6,908.2	75.0	2,956.8	100.0	105.9	2.7	45.6	1,132.6
Utah.....	17,463.5	12,900.1	73.9	5,596.4	43.4	16,072.7	56,444.6	43,746.5	13,876.6
Southwest.....	1	.2	200.0	1	50.0	262.2	1.6	206.7	
Idaho.....	5.2	3.5	67.3	1.2	34.3	27,243.4	11.8	22,504.5	3.5
Minnesota.....	1					26,952.7	8,025.0	28,027.3	3.6
Montana.....	1,928.8	1.0	85.9	627.9	37.9	2,488.4	2.6	1,174.0	
Nebraska.....	13.5	.3	7.4	.7	70.0	398.7	1.7	252.3	
North Dakota.....	4	134.7	53.1	60.0	33.3	7,006.7	512.2	5,155.9	
Oregon.....	253.9	4.4	93.6	2.8	44.5	7,680.4	53.1	648.8	
South Dakota.....	4.7	.9	16.4	.6	63.6	192.8	4.1	149.8	
Washington.....	5.5				66.7				
Wyoming.....									
Northwest.....	2,212.2	1,801.2	81.4	693.4	38.5	65,479.5	8,612.1	58,233.2	
United States.....	20,920.8	15,506.9	74.1	6,709.4	43.3	356,044.4	69,938.7	310,170.8	

TABLE 17.—Barley: Progress report on signup of 1962 feed grain program through Apr. 16, 1962

State	Number of farms			Total base acres on all farms ¹ (thou-sands)	Base acres signed up ¹ (thou-sands)	Percent of total base (5)+(4)	Intended diverted acres on farms signed up (thou-sands)	Percent diverted (7)+(5)	Total value of permissible advance payments (thou-sands)	Value of sight drafts issued to date (thou-sands)	Value of certificates issued for feed grain (thou-sands)	Malting barley exemptions requested	
	Esti-mated total	Signed up	Percent signed up									Number of farms	Total base acres established for such farms
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Connecticut.....													
Delaware.....	975	111	11.4	14.5	2.7	18.6	1.8	66.7	18.3	3.4			
Maine.....													
Maryland.....	7,002	434	6.2	89.2	9.2	10.3	5.8	63.0	57.9	27.9			
Massachusetts.....													
New Hampshire.....													
New Jersey.....	1,922	252	13.1	26.6	5.1	19.2	3.6	70.6	65.4	16.7			
New York.....	3,239	1,095	33.8	23.6	9.3	39.4	8.0	86.0	68.1	49.8	0.7		
Pennsylvania.....	22,630	1,214	5.4	170.6	11.3	6.6	9.9	79.6	87.2	66.0			
Rhode Island.....													
Vermont.....	72												
Virginia.....	13,285	2,725	20.5	119.1	34.3	28.8	26.0	75.8	253.3	125.9			
West Virginia.....	976	47	4.8	11.3	.5	4.4	.5	100.0	4.8				
Northeast.....	50,101	5,878	15.1	454.9	72.4	15.9	54.7	75.6	555.0	289.7	1.7		
Alabama.....													
Arkansas.....	218	33	15.1	3.7	.7	18.9	.5	71.4	3.7	2.7			
Florida.....	845	156	18.5	17.4	6.8	39.1	3.8	55.9	31.6	14.6	1.0		
Georgia.....	1												
Iowa.....	448	179	40.0	9.0	4.3	47.8	2.8	65.1	27.1	17.8	.3		
Louisiana.....													
Mississippi.....	96	30	31.2	3.1	1.6	51.6	.8	50.0	(²) 6.4	(²) 3.0	.3		
North Carolina.....	10,554	3,117	29.5	62.2	25.5	41.0	20.9	82.0	188.6	167.1			
South Carolina.....	3,027	1,372	45.3	31.7	24.7	77.9	17.0	68.8	126.5	80.9			
Tennessee.....	5,313	1,069	20.1	45.5	17.2	37.8	12.7	73.8	53.8	54.6			
Southeast.....	20,503	5,957	29.1	172.6	80.8	46.8	58.5	72.4	467.7	340.7	1.6		

	8,216	376	4.6	65.1	4.2	6.5	2.9	69.0	21.6	4.0		2	32
Illinois.....	7,189	346	4.8	53.3	3.3	6.2	2.6	78.8	18.5	9.6	-----	-----	-----
Indiana.....	1,421	108	7.6	17.6	1.7	9.7	1.1	64.7	9.0	5.7	1.1	1	65
Iowa.....	7,219	1,072	14.8	85.2	18.4	21.6	13.1	71.2	104.4	37.3	-----	-----	-----
Kentucky.....	10,097	1,424	14.1	69.2	12.3	17.8	10.5	85.4	83.6	44.8	-----	3	147
Michigan.....	17,712	2,896	16.4	197.8	59.8	30.2	38.3	64.0	248.1	133.1	.7	-----	-----
Missouri.....	7,313	448	6.1	59.2	3.7	6.2	3.1	83.8	26.6	12.1	.1	-----	-----
Ohio.....	2,504	197	7.9	24.4	2.0	8.2	1.7	85.0	14.7	9.2	.6	43	1,091
Wisconsin.....													
Midwest.....	61,671	6,867	11.1	571.8	105.4	18.4	73.3	69.5	526.5	265.8	2.5	49	1,335
Arizona.....	1,646	688	41.8	163.1	103.1	63.2	43.5	42.2	706.4	609.4	.3	-----	-----
California.....	8,426	3,088	36.6	1,547.9	869.5	56.2	321.8	37.0	3,418.1	2,034.0	-----	239	56,734
Colorado.....	15,023	4,514	30.0	640.9	287.5	44.9	138.6	48.2	828.4	112.5	-----	31	1,228
Kansas.....	41,119	13,974	31.8	1,010.9	447.7	44.3	223.4	49.9	1,304.5	291.8	.1	-----	-----
Nevada.....	379	34	9.0	14.7	1.4	9.5	.9	64.3	7.5	-----	-----	-----	-----
New Mexico.....	1,328	417	31.4	42.9	20.4	47.6	10.4	51.0	88.5	53.9	-----	-----	-----
Oklahoma.....	29,327	10,109	34.5	851.0	364.9	42.9	224.9	61.6	1,291.9	220.8	-----	-----	-----
Texas.....	14,571	6,093	41.8	469.1	304.3	64.9	143.6	47.2	830.7	225.5	-----	-----	-----
Utah.....	8,564	1,431	16.7	160.1	50.1	31.3	27.0	53.9	255.7	122.1	-----	-----	-----
Southwest.....	120,383	39,448	32.8	4,900.6	2,448.9	50.0	1,134.1	46.3	8,732.0	3,660.0	.4	270	57,962
Idaho.....	17,130	3,027	17.7	631.6	252.7	40.0	104.1	41.2	704.0	277.9	-----	370	33,570
Minnesota.....	21,615	11,315	52.3	959.3	764.2	79.7	115.5	15.1	828.6	570.6	5.4	7,081	531,238
Montana.....	18,931	6,196	32.7	1,939.3	1,020.6	52.6	170.6	16.7	888.9	193.7	2.3	4,248	827,700
Nebraska.....	14,505	5,146	35.5	309.2	159.3	51.5	91.2	57.2	526.7	181.7	.8	-----	-----
North Dakota.....	53,955	24,665	45.7	4,150.3	2,131.2	51.4	949.6	44.6	4,805.3	1,847.9	1.4	16,884	1,592,269
Oregon.....	10,373	3,252	31.4	531.2	280.7	52.8	104.8	37.3	949.2	489.0	-----	274	24,252
South Dakota.....	17,306	5,068	29.3	574.5	233.5	40.6	108.8	46.6	623.1	386.0	2.2	2,515	117,079
Washington.....	8,298	2,642	31.8	723.6	301.7	41.7	118.3	39.2	1,205.7	390.4	.2	619	72,045
Wyoming.....	3,587	333	9.3	126.5	24.4	19.3	10.1	41.4	62.6	36.5	.2	-----	-----
Northwest.....	165,700	61,644	37.2	9,945.5	5,168.3	52.0	1,773.0	34.3	10,684.1	4,373.7	12.5	31,991	3,198,153
United States.....	418,358	119,794	28.6	16,045.4	7,875.8	49.0	3,093.6	39.2	20,965.3	8,919.9	17.7	32,310	3,257,450

¹ 1959-60 average acreage planted to barley for harvest as grain or utilized as silage adjusted, where necessary, for abnormal factors affecting plantings.

² Less than 50.

³ Same as Apr. 12 report.

Source: Grain Division, ASCS, Department of Agriculture, Washington, Apr. 26, 1962.

THE PROPOSED FEED GRAIN PROGRAM

Although the 1961 program has been successful in meeting its objectives, and prospects for the 1962 program are good, voluntary programs cannot be expected to be continued for any length of time. Their success is based on incentive payments and price support to producers who voluntarily divert feed grain acreage to conservation use.

Without new legislation, the program in effect in the late 1950's would be in effect for 1963 crops. This program has failed—and would fail again. Carryover would increase rapidly and within a very short period would result in carryover levels higher than existed prior to the 1961 program.

Long-range policies and programs are needed—programs which will effectively use our tremendous capacity to produce feed grains and livestock and, at the same time, reduce carryover and maintain producer income. The approach proposed for feed grains is one that has already been used for many years in cotton, tobacco, wheat, and rice. The feed grain program would let producers choose periodically whether they want price support with the necessary production limitations, or whether they want to produce without restrictions on production and to accept the farm prices which follow such actions.

Both the rights of producers to choose farm programs democratically, and the duty of the Government to spend its resources wisely are protected under these programs.

The feed grain program is designed to reduce CCC stocks to desirable levels—to between 30 and 50 million tons—in about 5 years. Harvested acreages of the four major feed grains would probably be 10 to 20 percent below 1959–60 acreages for several years.

Payments for diverting acreage to a conservation use are the same as proposed for wheat, and are limited to 1963, 1964, and 1965 crops. The total of these payments would be only about half the level of payments under voluntary program—from \$400 to \$500 million for 1963 crops, and less thereafter.

Long-range feed grain programs are also needed to stabilize farm prices of livestock and livestock products and permit moderate increases in per capita food supplies without further stock accumulation by the Government. Feed grain programs of the type recommended in the bill—in addition to saving the Government substantial amounts—will make it possible to maintain or increase the price support level of feed grains above those that were in effect during the last 2 years.

Under the proposed program, livestock prices can be maintained at levels materially higher than if the pre-1961 program were continued, and far above levels expected if feed grain production were unrestricted with price supports at market levels. With feed grain production stabilized, output of meat animals can be increased substantially in response to increased demands for meat and livestock products.

It is essential that the program authorized by H.R. 11222 be enacted not only to reduce Government stocks and the costs of the feed grain program, but also to maintain or increase prices received by producers of feed grains, cattle, hogs, and poultry.

Under the program proposed by the committee, the Secretary would proclaim a national marketing quota for each year, equal to the total requirements of corn, grain sorghums, barley, and oats for livestock

feed, human food, seed industrial uses and exports; less estimated imports and—if CCC stocks are excessive—less an amount not to exceed 7 percent of total utilization as is determined necessary. The Secretary could increase the quota to assure an adequate carryover or to meet a national emergency or increase in demand. Rye could also be included in the consideration at the discretion of the Secretary.

A national acreage allotment would then be proclaimed, equal to the number of acres which the Secretary determines will—on the basis of expected yields—produce the feed grains needed during the year, less an amount from CCC stocks when these are excessive.

The national acreage allotment (less a small reserve to take care of new areas coming into production) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains during the base period, as adjusted. The base period for the 1963–65 crops would be 1959 and 1960; for subsequent crops, the base period would be the two most recent calendar years for which statistics are available.

Farms with a feed grain base of 25 acres or less would not be subject to the program, unless the producer elected to participate. If the producer did not so elect, he could plant up to his base acreage but would not be eligible for land-use payments or price support. The Secretary would also be authorized to make marketing quotas inapplicable to farmers in feed-deficit areas.

Producers would be required to devote to conservation uses an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains. The Secretary could permit the diverted acres to be grazed, but if such acreage were grazed between April 1 and September 30, no diversion payment could be made.

The Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops not to exceed 50 percent of the value of normal production on the acreage diverted in 1963, 40 percent in 1964, and 30 percent in 1965.

Producers could be permitted to divert an acreage, in addition to that required, equal to 20 percent of the farm acreage allotment, or, at their election, up to 25 acres.

All producers with a feed grain base established for their farm would be eligible to vote in a 1-, 2-, or 3-year referendum, except producers who elected to be exempt from the program. A two-thirds vote would be required to approve the program.

Feed grain price supports would be between 65 and 90 percent of parity, as determined by the Secretary, if marketing quotas were in effect. No price support would be provided if marketing quotas were disapproved by producers.

Under the program, budget expenditures would be reduced as CCC stocks were sold and as carrying charges declined. CCC expenditures for price support would be far below what they would be under a return to the pre-1961 program. Land retirement payments would also be lower than those of the 1961 and 1962 programs.

After stocks have been reduced to reasonable levels, feed grain acreage and production could again be increased. To the extent that lands diverted from grain production could be grazed or otherwise used under long-term resource development programs, diversion payments could be reduced without damage to farm income.

DAIRY SITUATION AND PROGRAM

Milk is a basic source of the Nation's food supply. Dairy farming, which is carried out in every State of the Nation and is an important source of farm income, constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk.

The present law—the Agricultural Act of 1949—requires the Secretary of Agriculture to support prices to producers for milk and butterfat at such level between 75 and 90 percent of parity as he “determines necessary in order to assure an adequate supply.”

The law has two serious shortcomings. One is that the level which may be established under the adequate supply criterion may not provide a satisfactory income for dairy farmers. The other is that there is no way to avoid excessively high Government expenditures, regardless of whether products acquired can be utilized in the national interest, because the Government is required to support unlimited milk production.

A combination of an increase in milk production and unexpected decrease in consumption resulted in a sharp increase in purchases of dairy products by Commodity Credit Corporation during the 1961–62 marketing year. CCC purchases totaled 435 million pounds of butter, 194 million pounds of cheese, and 1,190 million pounds of nonfat dry milk (delivery basis). This removed from the market about 9 percent of the total milkfat and about 13 percent of the total nonfat milk solids in the milk and cream sold by farmers in the United States.

Although dispositions in the available school lunch, welfare, and other outlets have been stepped up, the Corporation's uncommitted inventories have increased and as of March 31, 1962, were 283 million pounds of butter, 85 million pounds of cheese, and 325 million pounds of nonfat dry milk.

It is estimated that the net cost (acquisition and handling costs less sales receipts) for the 1961–62 marketing year was approximately \$600 million, nearly twice the average net cost of the preceding 8 years.

Because of the widened gap between total production and consumption of milk and its products, the Secretary of Agriculture determined that, in the present supply and demand situation and under the “adequate supply” criterion in the Agricultural Act of 1949, the support prices for milk and butterfat will be at 75 percent of parity for the marketing year April 1, 1962—March 31, 1963.

The emergency program will encourage a voluntary downward adjustment in milk supply and will reduce the cost of the support program below the cost that would be incurred without the program because the authorized payment per hundredweight for reducing marketings will be less than the cost of buying an equal quantity of milk (in the form of products) if it were produced and marketed.

Since the current rate of production will result in excessive and burdensome supplies of milk and dairy products during the marketing year ending March 31, 1963, section 430 authorizes the Secretary to institute an emergency dairy surplus reduction payments program in order to afford producers an opportunity and the means by which they can, on a compensated basis, voluntarily reduce their marketings during such marketing year.

Section 431 authorizes the Commodity Credit Corporation, under the program established by the Secretary, to make surplus reduction

payments to producers in the continental United States, excluding Alaska, who agree to reduce their marketings to a level not less than 10 percent or more than the larger of 25 percent or 7,500 pounds of milk below their normal marketing level for each quarterly marketing period. Commodity Credit Corporation, to the maximum extent practicable, shall limit agreements so as not to effect reductions in any dairy district of more than 10 percent of the total marketings of all producers in such district. Payments for reductions shall not exceed (i) \$2.50 per hundredweight, basis 3.82 percent of butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reductions in marketings, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement with Commodity Credit Corporation, but does reduce by at least 10 percent, will be paid on the quantity which he actually reduced but the amount of such payments will be reduced by an amount equal to 20 percent of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into pursuant to section 431 may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the program and to assure, to the fullest extent practicable that the producer's reduction will not be offset by his transfer of milch cows to another producer for the expansion of production and marketing of milk.

Section 432 directs the Secretary to establish the normal marketing levels for each producer who desires to enter into an agreement with the Corporation. Such marketing level shall be the number of pounds of milk or other units of dairy products which the producer marketed during the calendar year 1961 or the Secretary's estimate of what would be marketed in a calendar year by a producer, based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variations. In determining the producer's marketing for the calendar year 1961, the Secretary shall make such adjustments in the producer's marketings as he deems necessary for flood, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production or marketing after January 1, 1961.

Section 436 makes provision by which marketing agreements and orders under the Marketing Agreement Act of 1937 may be amended to provide, in determining the blended price which a producer will receive for his milk, the reduction of milk by a producer under his agreement with the Commodity Credit Corporation shall be considered as having been made from the lowest class use of milk under such marketing agreement and order so that the producer will retain his share of the higher class uses.

Section 437 of the bill forbids discrimination by persons engaged in the purchase or handling of milk against producers who have entered into agreements with Commodity Credit Corporation under the legislation. It will preclude such discriminatory practices as refusals by handlers to purchase milk from producers holding agreements with Commodity Credit Corporation. Any such form of discrimination which tends to add to the total supply of milk available upon the market would defeat the purpose of the legislation since Commodity

Credit Corporation might thereby be forced to purchase additional dairy products to maintain price-support levels. In order to further effectuate the purpose of the section, no purchases of dairy products may be made by Commodity Credit Corporation from any person who the Secretary determines practices such discrimination. In addition, producers aggrieved by such discriminatory practices, as well as the Government, may institute suit in the Federal courts to determine controversies arising under this section. In any such action, the court may award damages in favor of the producers against whom such discrimination was practiced and may enjoin and restrain any person or persons from discriminating or conspiring to discriminate against producers in violation of the section.

SECTION BY SECTION ANALYSIS

TITLE I. LAND-USE ADJUSTMENT

Section 101

Items (1), (2), and (3) amend the Soil Conservation and Domestic Allotment Act to provide for permanent administration of conservation programs by the Federal Government.

Item (4) adds section 16(e) to the Soil Conservation and Domestic Allotment Act and provides authority for the Secretary of Agriculture to carry out long-range conservation plans with individual farmers in all agricultural areas through agreements for periods of not to exceed 15 years. This is additional authority and is not in substitution for the year-to-year conservation cost-sharing programs authorized in section 8 of this act.

Except for the provisions requiring the use of the service of State and local committees, the Secretary is authorized to formulate programs under section 16(e) without regard to the provisions of sections 7 to 15. This provision does not preclude the Secretary's use of authority in such sections if he determines that such use would facilitate the formulation and administration of the program under section 16(e).

Section 102

The amendments to title III of the Bankhead-Jones Farm Tenant Act include changes in section 31 to provide for more economic uses of lands, the provision of public recreation, and protection of fish and wildlife.

Amendments in section 32 authorize the Secretary of Agriculture to cooperate with, and furnish financial or other aid to, Federal, State, and local agencies in carrying out plans for the program of land conservation and land utilization which is authorized by the act.

The amendment of section 32 does not give the Department of Agriculture any new authorization for land acquisition. It does provide that the Department can cooperate with local agencies when they desire to acquire land for public uses or for the purpose of rural renewal.

Section 103

Section 103 provides authority for the Secretary to assist local organizations to develop a limited number of public recreational developments in watershed projects carried out under the provisions of the Watershed Protection and Flood Prevention Act.

Section 103 makes the following changes in the existing authority contained in the Watershed Protection and Flood Prevention Act, namely:

1. It adds recreational development as a purpose for cost sharing. ✓ This means, for example, that funds appropriated to carry out the purposes of the act could be used to cost share with local organizations in enlarging a reservoir to make it more suitable for recreation. It authorizes the Secretary to bear not to exceed two-thirds of the cost of land, easements, and rights-of-way for reservoir or other sites or areas to be dedicated to public recreation and of providing minimum basic facilities needed for public health and safety, access to, and use of the reservoir or other area. The cost sharing is conditional on a local organization agreeing to operate and maintain the reservoir or other area for public use. The number of public recreational developments on which the Secretary is authorized to share the costs are limited to one such development in a watershed project containing 75,000 acres or less, or two such developments in a project containing over 75,000 but not to exceed 150,000 acres, or three such developments in projects exceeding 150,000 acres.

Minimum basic facilities are those necessary for the protection of the area and its features and for the health, safety, and recreation use of the public, including such facilities as water supplies, sanitary facilities, electrical service, boat anchorage and launching sites, swimming beaches, access and circulatory roads, parking areas, public camp and picnic sites, trails, overlook stations, cleared public-use water areas, and related administrative facilities.

Local organizations would be required to assume responsibility for operating and maintaining the public recreational facilities. They would have to be agencies that qualify as local organizations under the definition in the Federal act. They could include agencies of the State government such as the fish and wildlife and State park agencies. They could also be counties, municipalities, and special purpose districts created by or under the provisions of State legislation. Sportsmen's clubs, service clubs, or social, religious or political groups would not qualify as local organizations for cost sharing under this amendment.

This amendment would not authorize the Federal Government to acquire title to any land. The language to authorize the Secretary to reimburse the local organization for not to exceed two-thirds of the cost of the land, easements, and rights-of-way and minimum basic facilities is permissive.

2. It authorizes the Secretary to advance funds to the local organizations for immediate acquisition of lands, easements, and rights-of-way to prevent encroachment of other developments but such funds must be repaid without interest prior to construction, except for any part of such costs which the Secretary is authorized to bear.

3. It changes the criteria for Federal participation for all purposes, other than flood prevention and municipal or industrial water supply, from the principle of "consideration of the direct identifiable benefits" to the principle of "consideration of national needs and assistance authorized for similar purposes under other Federal programs." Public recreation, for example, cannot be related to direct identifiable beneficiaries—it will be provided for the general public. Moreover, cost sharing for this purpose should be reasonably comparable with that provided under other Federal programs.

Section 104

Increases the flood prevention capacity limitation from 5,000 acre-feet to 12,500 acre-feet. This change is needed to permit full utilization of available sites for recreation and other multiple-purpose development. In low and moderate rainfall areas, the drainage area required to yield the water supply needed for recreation and other purposes is too large to be controlled by 5,000 acre-feet of flood prevention capacity. As a result, it would be necessary to design multiple-purpose structures with a total capacity substantially below the 25,000 acre-feet maximum capacity already allowed by the act.

Section 105

Incorporates the language of the Water Supply Act of 1958 (Public Law 85-500), as amended, into the Watershed Protection and Flood Prevention Act, thereby authorizing the Secretary of Agriculture to assist local organizations in developing water supply for future use in watershed projects in the same manner as the Secretary of the Army and the Secretary of the Interior are authorized to assist under the Flood Control and Reclamation Acts.

The Secretary would be authorized to pay up to 30 percent of the total cost of a reservoir structure for the purpose of storing water for future municipal or industrial use if the sponsoring local organization gives reasonable assurance and presents evidence that the water so stored will be used within a period of time that would permit repayment of its cost within the life of the structure. Repayment and interest charges may be deferred for a period of up to 10 years if the water stored for future use is not used during that period. Repayment with interest will begin as soon as the water is first used. Full repayment must be made within the life of the structure but not to exceed 50 years from the time of initial use. Interest will begin to accrue after the 10-year period has elapsed even if the water supply is not used by that time.

Section 106

Deletes certain obsolete language and clarifies the Federal Government's authority to provide engineering services for municipal and industrial water supply on a reimbursable basis.

Section 107

Provides amendments to section 4 of the act described in this summary and all subsequent amendments to section 4 of the act are made equally applicable to the 11 watersheds authorized under the Flood Control Act of 1944.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

Section 201 of the bill would amend title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, to authorize the acquisition of surplus agricultural commodities from private stocks for disaster relief and economic development programs under title II of such act.

The present law restricts the commodities which may be made available to those held in Commodity Credit Corporation stocks.

Section 202 of the bill would amend title IV of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) as

amended, which authorizes long-term supply contracts in the following respects:

Amendment to statement of purpose.—Section 401 of the act is amended so as to: (1) make it clear that the purposes of title IV include stimulating and increasing the sale of surplus agricultural commodities for dollars through long-term supply contracts and the extension of credit for the purchase of such commodities, and (2) reflect in the statement of purposes the addition of the authority of the Secretary to enter into supply agreements with the private trade.

Under the statement of purposes as presently worded, the emphasis is on the use of surplus agricultural commodities to assist the economic development of friendly nations, and agreements with the private trade are not authorized.

Financial institutions acting in behalf of friendly nations.—Section 402 of the act is amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.

This will permit the President to enter into sales agreements with government banking institutions of other countries such as central banks or similar institutions and thereby give greater flexibility in negotiating title IV sales agreements.

Sales agreements with private trade.—Section 402 of the act is also amended so as to authorize the Secretary to enter into transactions with foreign and U.S. private trade under the same terms and conditions applicable to government-to-government sales agreements as currently authorized.

Repayment provisions modified.—Section 403 of the act is amended to remove the requirement that repayments for commodities supplied under title IV be in "approximately equal annual amounts" and to substitute in its place the requirement that repayments be in reasonable annual amounts with authority to defer the date for beginning such payments to not later than 2 years after the date of the last delivery of commodities in each calendar year. This amendment will provide greater flexibility to schedule the dollar repayments and fix the amounts of annual repayments in terms of the individual countries financial situation and debt structure. The present requirement for equal annual payments, beginning not later than December 31 of the year following the year in which commodities are delivered, has precluded in a number of instances the use of title IV.

The committee considered an amendment reducing the interest rate stipulated in section 403 but decided that such action is unnecessary since the law now provides that the rate shall be "not more than" that stipulated in the section. It points out to the Secretary his authority to extend credits at less than the maximum interest rate and would also point out that with storage rates on commodities running from 11 to 17 percent of their value annually, the interest to be charged on credit which will remove these commodities from storage for sale overseas is a matter of secondary consideration.

Participation by other exporting nations.—Section 405 of the act is amended so as to make discretionary rather than mandatory the authority under which other exporting nations are permitted to participate on a proportionate and equitable basis in the supply and assistance program authorized by title IV.

The present language of section 405 of the act directs that the Secretary endeavor to reach agreement with other exporting nations

for their participation in the supply and assistance program. Experience indicates that a discretionary rather than a mandatory provision is more appropriate in view of the fact that most other friendly supplying nations generally are either not able or are unwilling to participate in long-term supply and credit programs on the same terms and conditions offered by the United States.

Additional provisions of title I made applicable to title IV.—Section 202 would amend section 406 of the act so as to make certain additional provisions of title I of the act applicable to sales under title IV; namely, that in negotiating sales under title IV the President shall take appropriate steps to assure that private trade channels are used to the maximum extent practicable; and shall give special consideration to utilizing the authority and funds provided for developing markets for agricultural commodities.

These provisions are not presently applicable to sales under title IV of the act.

SCHOOL LUNCH PROGRAMS OVERSEAS

In sections 203, 204, and 205, insert the words “and in nonprofit school lunch programs” after the words “needy persons” in three different statutes: Section 416 of the Agricultural Act of 1949, as amended; section 308 of Public Law 480, 83d Congress; and section 9 of the act of September 6, 1958. Section 206 provides that the commodities may be donated for school lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school lunch programs in the United States.

The purpose of these amendments is to permit more effective use of food donation authority to encourage the development of overseas school lunch programs. The amendments would authorize donations for general use in school lunch programs without the necessity of determining that all children in the school were from economically needy families. It would require charges to be made for children who could afford to pay for their lunches on a basis similar to that used in the national school lunch program in the United States.

TITLE III—MARKETING ORDERS

Section 301—Commodity exemption

Section 301 of the bill amends section 8c(2) of the Agricultural Marketing Agreement Act of 1937, as amended, to exempt potatoes for dehydrating from the authority for marketing orders.

TITLE IV—COMMODITY PROGRAMS

SUBTITLE A—FEED GRAINS

Section 401 of the bill adds a new part VII to subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, to provide for a marketing quota program and a diversion program for feed grains.

Section 360a—Legislative findings

Section 360a of the new part contains legislative findings with respect to feed grains. The findings show need for the legislation and provide a constitutional basis therefor under the commerce clause.

Section 360b—National marketing quota

Section 360b of the new part provides that whenever the Secretary determines that the total supply of feed grains will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim a national marketing quota for feed grains. The quota proclaimed may be for one or more marketing years not exceeding three. The amount of the quota for any marketing year will be the amount required for livestock feed, human consumption, seed and industrial uses, and exports; less estimated imports and, if Commodity Credit Corporation stocks are excessive, less an amount of feed grains, not to exceed 7 percent of disappearance, determined by the Secretary to be desirable reduction in Commodity Credit Corporation stocks. The Secretary is authorized to make adjustments in the annual quota to assure an adequate carryover or to meet a national emergency or a material increase in demand.

Section 360c—National acreage allotment

Section 360c of the new part provides for converting the national marketing quota into a national acreage allotment on the basis of expected yields.

Section 360d—Apportionment of national acreage allotment

Section 360d of the new part provides the mechanism for apportioning the national acreage allotment. In general, the national acreage allotment will be apportioned to the States, counties, and farms on the basis of the acreage during the base period. The base period for the 1963–65 crops is the calendar years 1959–60 and for subsequent years the base period will be the two most recent calendar years during which a marketing quota program is in effect for which statistics are available. The Secretary is authorized to make upward adjustments for abnormal conditions, for land which is regarded as devoted to the production of feed grains under the conservation reserve and other Federal farm programs, and for hardships. A reserve for new farms is provided for. The acreage of wheat produced on a farm pursuant to the exemption in section 335(f), the so-called 30-acre exemption, will be considered as an acreage of feed grains and given history credit for purposes of establishing base acreages and allotments for feed grains.

Provision is made for the release and reapportionment of feed grain allotments similar to the provision in existing law for release and reapportionment of cotton allotments, subject to the requirement that the producer on the farm releasing the allotment shall be required to divert an acreage from the production of crops equal to the amount of allotment released.

Section 360e—Geographical applicability

Section 360e of the new part provides that the new part shall be applicable to the continental United States excluding Alaska.

Section 360f—Small farm exemption

Section 360f of the new part provides for an exemption of small farms from the marketing quota program. The exemption would apply to any farm with a farm base acreage of 25 acres or less, unless the producer elects to be subject to the farm acreage allotment. If the producer does not elect to be subject to the farm acreage allotment, he may plant up to his feed grain base but will not be eligible for diversion payments or price support.

Section 360g—Referendum

Section 360g of the new part requires the Secretary to conduct a referendum of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years proclaimed. Any producer who has a feed grain base will be eligible to vote in the referendum except a producer who is exempt from complying with the farm acreage allotment under the small farm exemption. If more than one-third of the farmers voting in the referendum vote against marketing quotas, marketing quotas will not be in effect for the marketing year.

Section 360h—Compliance

Section 360h of the new part contains the provisions dealing with the compliance features of the feed grain marketing quota program. The penalty would be at the rate of 65 percent of parity on the farm marketing excess. The farm marketing excess would be computed initially as double the normal yield of feed grains times the excess acres, but such marketing excess would be reduced to the actual yield times the excess acres upon proof by the producer of the actual yield. If more than one kind of feed grain is grown on the farm, the acreage of the particular feed grain will be used which has the highest value based on the normal yield of the feed grain multiplied by the basic county support rate. Any acreage of feed grains disposed of prior to the disposal date prescribed by the Secretary would not be considered feed grain acreage. All feed grain producers on the farm would be jointly and severally liable for the entire amount of the penalty. A lien in favor of the United States for the unpaid penalty would be in effect on the current crop of feed grains on the farm and on any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest. The buyer of any feed grains produced on the farm would be required to collect the penalty, and any buyer who fails to collect any penalty would be jointly and severally liable with the producers for such penalty. Six percent interest would be required to be paid on the unpaid penalty.

Section 360i—Substitution of wheat for feed grains

Section 360i of the new part requires the Secretary to permit producers of wheat to have wheat acreage considered as feed grain acreage to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program.

Section 360j—Land use

Section 360j of the new part contains provisions relating to use of land diverted from the production of feed grains.

Under subsection (a) whenever marketing quotas are in effect the producers on any farm (except a farm with a new farm allotment) would be required to divert from feed grains an acreage of cropland on the farm equal to the number of acres by which the farm acreage allotment for feed grains is less than the base acreage of feed grains for the farm. A penalty at the rate of 65 percent of parity times the normal yield of the principal feed grain produced in the county would apply to the producers on the farm jointly and severally, plus 6 percent interest, for each acre of a crop produced on acreage required to be diverted from feed grain production unless (1) the crop is guar, sesame, safflower, sunflower, castor beans, malting barley, or flax, is

not in surplus supply, and has been designated by the Secretary, or (2) no feed grains were produced on the farm and the producers had not filed an agreement or intention to participate in the payment program under subsection (b). Until the penalty has been paid a lien would be in effect on the crop of feed grains and on any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest. The Secretary could, to the extent he determined it to be desirable, require the producer to designate the same land each year as the diverted acres. The Secretary could permit the diverted acres to be grazed.

Under subsection (b) the Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops to producers who divert acreage from feed grains. Such payments would be in an amount not to exceed the estimated normal production of feed grains for the acreage diverted multiplied by 50 percent of the estimated basic county support rate for the 1963 crop, 40 percent of the estimated basic county support rate for the 1964 crop, and 30 percent of the estimated basic country support rate for the 1965 crop. Such payments would be made with respect to acreage diverted under subsection (a) and the Secretary could permit producers to divert for payment additional acreage equal to 20 percent of the farm feed grain acreage allotment. Producers at their election could divert acreage for payment in addition to that diverted under subsection (a) as would bring the total diverted acreage to 25 acres. Such payment program would require the producer to devote the diverted acreage to conservation uses and to maintain his normal acreage of conservation uses, summer fallow, and idle land. Appropriate adjustments in the normal acreage of conserving uses are authorized in order to establish a fair and equitable soil-conserving acreage for the farm. Also the producer could not knowingly exceed any farm acreage allotment for any commodity produced on the farm and, except as the Secretary might prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. Producers on new feed grain farms would not be entitled to payments. Payments would be made in cash or in feed grains and would be divided among producers on the farm on a fair and equitable basis, taking into consideration the basis on which producers would have shared in the production of feed grains on the diverted acreage, the savings or benefits accruing to each producer on the diverted acreage, the contribution of each producer to the establishment and maintenance of the conservation use, and the respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising the farm.

Subsection (c) would authorize the Secretary to make partial payment proportionate to the performance rendered, where the producer fails to render full performance.

Subsection (d) would authorize up to 50 percent of any diversion payment to be made to producers in advance of determination of performance.

Subsection (e) authorizes the Secretary to permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, malting barley, and flax when such crops are not in surplus supply subject to the condition that the payment for such acreage shall take into account the use of such acreage for the production of

such crops and shall in no event exceed one-half the rate which would otherwise be applicable.

Subsection (f) provides that if the Secretary permits the diverted acreage to be grazed between April 1 and October 1 of any year, no payment shall be made for the acreage which is grazed.

Subsection (g) would authorize the Secretary to include in the program such terms and conditions as he considered desirable.

Subsection (h) would authorize the Secretary to promulgate program regulations.

Subsection (i) would authorize Commodity Credit Corporation to utilize its capital funds and other assets for making program payments and paying administrative expenses during the period ending June 30, 1963. The subsection would authorize appropriations for paying administrative expenses after that date.

✓ Subsection (j) would authorize the Secretary to accept performance rendered in good faith upon the action or advice of an authorized representative of the Secretary as meeting the requirements of this section or of the 1961 or 1962 feed grain diversion payment programs. Payment for such performance could be made in accordance with such action or advice to the extent the Secretary determines desirable in order to provide fair and equitable treatment.

Section 360k—Exemptions in deficit areas

Section 360k of the new part would authorize the Secretary of Agriculture to exempt feed grain producers in deficit areas from the marketing quota provisions of the bill, if the acreage of feed grains on the farm did not exceed the farm base acreage. Feed grain producers receiving the benefit of such exemption would not be eligible for land-use payments or price support and could not vote in the referendum held to determine whether marketing quotas on feed grains would be made effective. The effect of the amendment would be to authorize the Secretary to permit feed grain producers in deficit areas to maintain their present acreage of feed grains without any necessity for a reduction below the farm base acreage.

Section 402—Declaration of policy

Section 402 of the bill amends the declaration of policy section in the act to reflect the addition of the provisions for feed grains.

Section 403—Definitions

Section 403 of the bill amends section 301 of the Agricultural Adjustment Act of 1938, as amended, to define a number of terms used in the feed grain portion of the bill. The term "feed grain" is defined to mean corn, oats, grain sorghums, and barley. Rye would be included if the Secretary designated such commodity.

Section 404—Review proceedings

Section 404 of the bill amends sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938 in order to make the land-use penalty subject to the review proceedings which are presently applicable to marketing quotas.

Section 405—Payment and collection of penalties

Section 405 of the bill amends section 372 of the Agricultural Adjustment Act of 1938, as amended, in order to make the provisions of that section dealing with the payment and collection of penalties applicable to feed grains.

Section 406—Reports and records; measurement of farms; regulations

Section 406 of the bill amends sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, in order to make the provisions of those sections dealing with reports and records, measurement of the farms, and authority to issue regulations, applicable to feed grains.

Section 407—Finalty of feed grain diversion payments

Section 407 of the bill would amend section 385 of the 1938 act, which provides that the facts constituting the basis for certain Federal payments and loans when made in conformity with applicable regulations of the Secretary may not be reviewed by any other officer or agency of the Government, to include feed grain diversion payments under the bill. In the same way the section would be amended to add feed grain diversion payments to the list of Federal payments as to which the Secretary would be authorized to determine to whom to make payment in cases where the producer who is entitled to payment dies, becomes incompetent, or disappears before receiving the payment.

Section 408—Effective date of amendments

Section 408 of the bill provides that the amendments to the Agricultural Adjustment Act of 1938 become effective beginning with the 1963 crops.

Section 409—Price support

Section 409 of the bill amends the Agricultural Act of 1949, as amended, as follows:

Beginning with the 1963 crop the level of price support for corn would be between 65 and 90 percent of parity as the Secretary determines appropriate after consideration of certain specified factors.

Price support for barley, grain sorghums, oats, and rye would be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn, location, and buyer preference.

If marketing quotas are in effect for the crop, price support would be made available only to cooperators. A cooperator is defined as a producer who (1) does not knowingly exceed the farm acreage allotment for any commodity on the farm or, except as the Secretary may prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (2) complies with the land-use requirements for feed grains to the extent prescribed by the Secretary.

If marketing quotas for any crop of feed grains are voted down by producers, no price support would be made available for such crop.

Section 409 of the bill also amends section 401 of the Agricultural Act of 1949, as amended, to add as a factor to be taken into consideration in establishing price support levels, "the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations."

Section 409 of the bill also amends section 407 of the Agricultural Act of 1949 relating to restrictions on sales by Commodity Credit Corporation, to provide that if marketing quotas for any crop of feed

grains are voted down by producers, Commodity Credit Corporation may sell from its stocks for unrestricted use at market prices during the marketing year not to exceed 10 million tons of feed grains.

SUBTITLE B—WHEAT

Section 410—Legislative findings

Section 410 of the bill would amend section 331 of the Agricultural Adjustment Act of 1938, as amended, which contains legislative findings with respect to wheat. The amendments would provide additional findings to show the need for legislation to prevent the use of acreage diverted from wheat production to produce other commodities in surplus supply and would provide a constitutional basis therefore under the commerce clause.

Section 411—National marketing quota

Section 411 would repeal the present section 332 of the 1938 act dealing with the proclamation of the national acreage allotment of wheat and substitute therefore a section 332 providing that whenever prior to April 15 of any calendar year the Secretary should determine that the total supply of wheat would, in the absence of a marketing quota program, likely be excessive, he would proclaim a national marketing quota of wheat for the marketing year beginning in the next calendar year and may, if necessary to effectuate the policy of the act, proclaim a national marketing quota for either the following marketing year or the following 2 marketing years. If a national marketing quota should be proclaimed the Secretary would, during the period of January 1–April 15 of the calendar year preceding the year in which the marketing year begins, proclaim the amount of the national marketing quota which would be the amount of wheat which the Secretary estimated (1) would be utilized for human consumption in the United States as food, food products, and beverages, (2) would be used in the United States as seed, (3) would be exported as wheat or wheat products, and (4) the average amount used as livestock (including poultry) feed in the 1959–60 and 1960–61 marketing years; less (1) estimated imports, and (2) if Commodity Credit Corporation wheat stocks should be determined by the Secretary to be excessive, the amount of wheat, not to exceed 16 percent of items (1), (2), (3), and (4) above, determined to be a desirable reduction in such stocks. However, if the Secretary should determine that total stocks of wheat in the Nation were insufficient to assure an adequate carryover for the next succeeding marketing year he would be required to increase the national quota sufficiently to assure an adequate carryover. Authority would be given the Secretary, after investigation, to terminate or increase any national marketing quota if necessary to meet a national emergency or material increase in export demand; if an increase is proclaimed, wheat acreage allotments would be increased by a uniform percentage.

Section 412—National acreage allotment

Section 412 of the bill would revise the present section 333 of the 1938 act to provide for the proclamation by the Secretary of a national acreage allotment of wheat at the same time the national marketing quota was proclaimed. The amount of such allotment would be the number of acres which on the basis of expected yields would, together

with the expected production on increases in acreage allotments for small farms and on increased acreages resulting from the small-farm exemption, make available a supply of wheat equal to the national marketing quota.

Under existing provisions of section 333 of the 1938 act the national acreage allotment is the acreage determined by the Secretary on the basis of the national average yield of wheat as will produce an amount of wheat, which, with estimated carryover and imports, would make available a supply of wheat equal to a normal year's domestic consumption and exports plus 30 percent.

Section 413—Apportionment of national acreage allotment

Section 413 of the bill contains five amendments to section 334 of the 1938 act, which deals generally with the apportionment of the national acreage allotments to States, counties, and farms.

Amendment (1) would provide for the use of a 5-year acreage history in determining State and county allotments. Under existing law, a 10-year acreage history is used for such purpose.

Amendment (2) would provide that any farm receiving an increased acreage allotment under subsection (e) for the increased production of Durum wheat would not be subject to the land-use provisions of section 339 and the producers on the farm could obtain price support without complying with such provisions. A similar provision is applicable to the 1962 wheat stabilization program.

Amendment (3) would repeal subsection (g) dealing with preservation of history in cases where the producer is prevented from seeding wheat because of unfavorable weather, and redesignates subsections (h) and (i) as (g) and (h), respectively. Subsection (g) under existing provisions of the act has been superseded by the broader provisions of section 377 of the act.

Amendment (4) would amend (new) subsection (h) to exempt farms in Tulelake area of California which receive increased acreage allotments to produce Durum wheat under that subsection from the land-use provisions of section 339 of the act.

Amendment (5) would also amend (new) subsection (h). By an amendment in Public Law 87-357, a sentence was added to the effect that any law providing for a general reduction in farm allotments or for an acreage diversion program for the 1962 or 1963 crop of wheat would not be applicable to any increased allotment under this subsection unless such law was expressly made applicable to such farms. In view of amendment (4) above, the words "or 1963" are no longer needed and are deleted by this amendment (5).

Section 414—Geographical applicability

Section 414 of the bill would add a new subsection (j) to section 334 of the act to provide that marketing quotas, land-use provisions, and marketing certificates shall apply to the continental United States excluding Alaska.

The present act authorizes the Secretary to designate any State having an acreage allotment of 25,000 acres or less as being outside the commercial area for wheat.

Section 415—Small farm exemption

Section 415 would amend section 335 of the 1938 act by repealing the present provisions of the section dealing with national and farm

marketing quotas and certain exemptions therefrom (some of which are obsolete) and substituting in lieu of the present provisions a new section 335 on the exemption of small farms from marketing quotas. The new section would provide that no marketing quota would apply to any farm with a base of 15 acres or less (called small-farm base acreage) if the wheat acreage did not exceed the base unless the owner or operator should elect in writing to be subject to the farm acreage allotment. The small-farm base acreage would be the average 1957-61 acreage of wheat, with certain adjustments. If the owner or operator elects to be subject to the farm acreage allotment, the acreage allotments for the farm would be the larger of (i) the small-farm base acreage for the farm reduced by the same percentage by which the national acreage allotment is reduced below 55 million acres, or (ii) the acreage allotment determined without regard to the provisions of (i). If no election to be subject to the farm acreage allotments should be made, (1) the farm acreage allotment for purposes of computing excess acreage and penalty shall be deemed to be the larger of the acreage allotment or the small-farm base acreage, (2) the land-use provision of section 339 of the act would be inapplicable to the farm, (3) the crop of wheat would be ineligible for price support, and (4) no wheat marketing certificates under section 379c would be issued for the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages would be in addition to National, State, and county acreage allotments.

Under existing law (par. (7) of Public Law 74, 77th Cong.) the exemption from quotas is 15 acres. This was reduced to 13.5 acres generally and to a smaller acreage in certain cases for the purposes of the 1962 program by the Agricultural Act of 1961.

Section 416—Referendum

Section 416 of the bill would rewrite the present provisions of section 336 of the 1938 act on referendum. The section would provide for a referendum of wheat farmers to be held not later than 60 days after publication in the Federal Register of the national marketing quota proclamation to determine if such farmers favor or oppose the quota for the year or years for which proclaimed. All producers on farms having farm acreage allotments would be eligible to vote except those on farms with small-farm base acreages for which the owner and operator did not elect to be subject to the program. Results of referendum would be proclaimed within 30 days after date of referendum. A two-thirds favorable vote of the farmers voting would be required for the quota to remain in effect.

Under existing law the referendum must be held between the date of the proclamation of the national quota and July 25. Farmers eligible to vote are those who will be subject to the quota, i.e., those who will produce more than 15 acres of wheat, excluding farmers who obtained the feed wheat exemption for the immediately preceding crop.

Section 417—Substitution of feed grains and wheat

Section 417 of the bill would amend section 337 of the 1938 act by repealing the present (largely obsolete) provisions of section 337 dealing with adjustment and suspension of quotas and substituting in lieu thereof new provisions by which the Secretary would be required to permit producers of feed grains to have feed grain acreage

considered as wheat acreage and producers of wheat to have wheat acreage considered as feed grain acreage, except to the extent the Secretary determines such action will adversely affect the operation of the program. There is no comparable provision in existing law.

Section 418—Land use

Section 418 of the bill would add a new section 339 to the 1938 act. Under subsection (a) of the new section, whenever marketing quotas are in effect, wheat producers on any farm (except a farm with a new farm allotment) would be required to divert from wheat an acreage of cropland on the farm equal to the number of acres by which the acreage allotment for the farm is reduced below what the acreage allotment would have been on the basis of a national acreage allotment of 55 million acres. A penalty at the rate of 65 percent of parity times the farm normal yield of wheat would apply to the producers on the farm jointly and severally, plus 6 percent interest, for each acre of a crop produced on acreage required to be diverted from wheat production unless (1) the crop is guar, sesame, safflower, sunflower, castor beans, and flax, is not in surplus supply, and is designated by the Secretary, or (2) no wheat was produced on the farm and the producers had not filed an agreement or intention to participate in the payment program under subsection (b). Until the penalty has been paid, a lien would be in effect on the crop of wheat and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest.

The Secretary could, to the extent he determined it to be desirable, require the producer to designate the same land each year as the diverted acres.

The Secretary could permit the diverted acreage to be grazed.

Under subsection (b) the Secretary would be authorized to make payments with respect to the 1963, 1964, and 1965 crops of wheat to producers who divert acreage from wheat. Such payment may not exceed the estimated normal production of wheat for the acreage diverted, multiplied by 50 percent of the basic county support rate, or the national average support rate, whichever is higher, for the 1963 crop, 40 percent for the 1964 crop, and 30 percent for the 1965 crop. Such payments would be made with respect to the acreage diverted under subsection (a) and the Secretary could permit producers to divert for payment additional acreage equal to 20 percent of the farm wheat acreage allotment. Producers at their election could divert acreage for payment, in addition to that diverted under subsection (a), as would bring the total diverted acreage to 15 acres. Such payment program would require the producer to devote the diverted acreage to conservation uses, and to maintain his normal acreage of conservation uses, summer fallow, and idle land. Appropriate adjustments in the normal acreage of conserving uses are authorized in order to establish a fair and equitable soil-conserving acreage for the farm. Also the producer could not knowingly exceed any farm acreage allotment for any commodity produced on the farm and except as the Secretary might prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. Producers on new wheat farms would not be entitled to payments. Payments would be made in cash or in wheat and would be divided among producers on the farm on a fair and equitable basis,

taking into consideration the basis on which producers would have shared in the production of wheat on the diverted acreage, the savings or benefits accruing to each producer on the diverted acreage, the contribution of each producer to the establishment and maintenance of the conservation use, and the respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising the farm.

Subsection (c) would authorize the Secretary to make a partial payment proportionate to the performance rendered to a producer who unintentionally failed to render full performance.

Subsection (d) would authorize up to 50 percent of any diversion payment to be made to producers in advance of determination of performance.

Subsection (e) provides that if the Secretary permits the diverted acreage to be grazed between April 1 and October 1 of any year, no payment shall be made for the acreage which is grazed.

Subsection (f) authorizes the Secretary to permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply, subject to the condition that payment with respect to such acreage shall take into account the use of such acreage for the production of such crops and shall in no event exceed one-half the rate which would otherwise be applicable.

Subsection (g) would authorize the Secretary to include in the programs such terms and conditions as he considered desirable.

Subsection (h) would authorize the Secretary to promulgate program regulations.

Subsection (i) would authorize Commodity Credit Corporation to utilize its capital funds and other assets for making program payments and paying administrative expenses during the period ending June 30, 1963. The subsection would authorize appropriations for paying administrative expenses after that date.

Subsection (j) would authorize the Secretary to accept performance rendered in good faith upon the action or advice of an authorized representative of the Secretary, as meeting the requirements of this section, or of the 1962 wheat diversion payment program. Payment for such performance may be made in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

Section 419—Compliance

Section 419 of the bill contains nine amendments to Public Law 74, 77th Congress, dealing largely with compliance features of the wheat marketing quota program.

Amendment (1) would rewrite paragraph (1) of said public law to require computation of the farm marketing excess initially as double the farm normal yield of wheat times the excess acres, but such excess would be reduced to the actual yield times the excess acres upon proof by the producer of the actual yield. The guarantee in existing law that the farm marketing excess cannot be more than the actual production of wheat on the farm less the normal production of the farm acreage allotment would no longer apply. Amendment (1) would also make it clear that the acreage of wheat not disposed of by the prescribed disposal date would be considered wheat acreage, with the wheat production thereon appraised for the purposes of determining

the farm marketing quota and farm marketing excess; that wheat acreage disposed of prior to the disposal date would not be considered wheat acreage; that the acreage of volunteer wheat not disposed of would be considered wheat acreage; that any acreage of wheat classified as feed grain acreage under section 360i of the Agricultural Adjustment Act of 1938 would not be considered wheat acreage.

Amendment (2) would rewrite paragraph (2) of Public Law 74 so as to increase the penalty rate to 65 percent of parity and to add a provision that all wheat producers on a farm shall be jointly and severally liable for the entire amount of penalty. Under existing law the penalty rate is 45 percent of parity, except that it was established at 65 percent of parity for the 1962 crop of wheat by the Agricultural Act of 1961.

Amendment (3) would repeal the provisions of existing law which permit a producer to store excess wheat in order to avoid or postpone marketing quota penalties. It would also amend paragraph (3) of Public Law 74 so as to require computation of the farm marketing excess initially upon twice the normal yield.

Amendment (4) would rewrite paragraph (4) to delete any reference therein to corn and to provide that a lien in favor of the United States for unpaid penalty would be in effect on the current crop of wheat on the farm and on any subsequent crop of wheat subject to marketing quotas in which the producer has an interest. Corn is one of the feed grains for which a marketing quota program would be authorized by section 401 of the bill. To avoid confusion, the word "corn" is eliminated from other parts of the 1938 act.

Amendments (5) and (6) would delete any reference to corn from paragraphs (5) and (6) of Public Law 74.

Amendment (7) would repeal paragraph (7) of Public Law 74, and renumber paragraphs (8) through (11) as (7) through (10), respectively. The first sentence of paragraph (7), providing for the 15-acre exemption, would be superseded by section 415 of the bill. The rest of paragraph (7) relates to exemptions of so-called nonallotment farms under the agricultural conservation program and such provisions have been obsolete since 1943 when the commodity adjustment payments under that program were eliminated.

Amendment (8) would eliminate references to corn in renumbered paragraph (7) of Public Law 74 and add a provision making the buyer who fails to collect any penalty and all producers on the farm jointly and severally liable for such penalty. The current provisions of the act are interpreted as permitting the imposition of joint and several liability for penalty, but this provision of the bill would expressly so provide.

Amendment (9) would repeal paragraph (12) of Public Law 74 guaranteeing a minimum farm marketing quota equal to the normal yield of the farm acreage allotment. It also would add two new paragraphs (11) and (12) to require the payment of 6 percent interest on unpaid penalty and to provide that when wheat marketing quotas are not in effect for any marketing year, all previous wheat quotas would be terminated, effective at the beginning of such marketing year, but that such termination should not abate penalties previously incurred or relieve any buyer from remitting any penalty previously collected. Provisions of existing law do not authorize imposition of interest on unpaid penalties until a judgment has been obtained.

There is no express provision in existing law providing for termination of previous quotas whenever quotas are not in effect for any marketing year.

Section 420—General adjustment of quotas

Section 420 of the bill would amend section 371 of the 1938 act providing for general adjustment of quotas and allotments by striking out references therein to wheat and corn. Adjustments of wheat quotas would be provided in section 411(c) of the bill. There are no allotments or quotas for corn in existing law. Corn would be a feed grain under section 401 of the bill and the adjustment of feed grain allotments and quotas is provided for under that section.

Section 421—Finality of wheat diversion payments

Section 421 of the bill would amend section 385 of the 1938 act, which provides that the facts constituting the basis for certain Federal payments and loans when made in conformity with applicable regulations of the Secretary may not be reviewed by any other officer or agency of the Government, to include wheat diversion payments under the bill. In the same way the section would be amended to add wheat diversion payments to the list of Federal payments as to which the Secretary would be authorized to determine to whom to make payment in cases where the producer entitled to payment dies, becomes incompetent, or disappears before receiving the payment.

Section 422—Applicability of amendments

Section 422 of the bill provides that the amendments to the 1938 act and to Public Law 74 made by sections 410 through 421 of the bill would apply to the 1963 and subsequent crops and to the marketing years beginning in 1963 and subsequent years.

WHEAT MARKETING ALLOCATION PROGRAM

Section 423 of the bill adds a new subtitle D to title III of the Agricultural Adjustment Act of 1938, as amended, to provide for a wheat marketing allocation program.

Section 379a—Legislative findings

Section 379a of the new subtitle contains legislative findings with respect to the need for a wheat marketing allocation program and provides a constitutional basis therefor under the commerce clause.

Section 379b—Wheat marketing allocation

Section 379b of the new subtitle provides that during any year for which marketing quotas are in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect. Each farm would receive a wheat marketing allocation equal to the number of bushels obtained by multiplying the estimated production for the number of acres in the farm acreage allotment by the national allocation percentage. The national allocation percentage would be that percentage of the national marketing quota which represents that portion of the wheat used during the year for human consumption in the United States and for exports on which the Secretary determines that marketing certificates shall be issued in order to achieve, insofar as practicable, the price and income objectives of the program.

Section 379c—Marketing certificates

Section 379c of the new subtitle provides for the issuance of wheat marketing certificates in the amount of the farm wheat marketing allocation. If the producer planted less than the number of acres necessary to qualify for the full allocation, he would be limited to wheat marketing certificates in the amount of the actual acreage of wheat planted times the estimated yield plus the amount of any wheat stored to avoid or postpone a marketing penalty which is released from storage during such year on account of underplanting or underproduction. Wheat marketing certificates would be shared among producers on the farm on the basis of their respective shares in the crop.

No producer would be eligible to receive wheat marketing certificates if a marketing quota penalty is assessed for any commodity on the farm or if the farm has not complied with the land-use requirements for wheat to the extent prescribed by the Secretary, or, except as the Secretary may by regulations prescribe, if he exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer.

The Secretary would determine and proclaim for each year the face value per bushel of marketing certificates. The face value per bushel of such certificates would be equal to the amount by which the support price for wheat accompanied by certificates exceeded the support price for noncertificate wheat.

Marketing certificates and transfers thereof would be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary prescribes.

Section 379d—Marketing restrictions

Section 379d of the new subtitle provides that any person acquiring marketing certificates from the producer to whom such certificates are issued is required to purchase an equal number of bushels of wheat. Any unused certificates held by persons other than the producer to whom the certificates were issued would be purchased by Commodity Credit Corporation. Commodity Credit Corporation would also be authorized to purchase certificates from producers to whom such certificates are issued, without requiring wheat to be delivered, in any case where the Secretary determines that it would constitute an undue hardship to require the producer to transfer the certificates only in connection with the disposition of wheat.

Persons engaged in the processing of wheat into food products prior to marketing the product for human food in the United States would be required to acquire marketing certificates equivalent to the number of bushels of wheat in such product. Any person exporting wheat or food products composed wholly or partly of wheat would be required to acquire marketing certificates equivalent to the number of bushels of wheat exported. Marketing certificates would be valid only to cover sales or exportations made during the year with respect to which they are issued, and after being once used would be void.

Upon the giving of a bond or other acceptable undertaking, and subject to such regulations as the Secretary may prescribe, any person could market or export the commodity without first acquiring marketing certificates.

The term "food products" is defined to be any product to be used for human consumption, including beverage.

Section 379e—Assistance in purchase and sale of marketing certificates

In order to facilitate the purchase and sale of certificates, section 379e of the new subtitle authorizes Commodity Credit Corporation to issue, buy, and sell marketing certificates. The Corporation would be authorized to issue and sell certificates in excess of the quantity of certificates which it purchases. The Corporation would be authorized to establish discounts and premiums not exceeding 5 percent of the face value of the certificate in order to encourage the purchase and sale of certificates through commercial channels.

Section 379f—Conversion factors

Section 379f of the new subtitle authorizes the Secretary to establish conversion factors to determine the amount of wheat contained in any food product. Such conversion factor would be determined upon the basis of the weight of wheat used in the manufacture of the product.

Section 379g—Authority to facilitate transition

Section 379g of the new subtitle authorizes the Secretary to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the new program. Such authority would include the authority to exempt all or any part of the wheat or food products in the channels of trade on the effective date of the program from having to acquire certificates or to sell certificates to persons owning such wheat food products at such prices as the Secretary determines

Section 379h—Reports and records

Section 379h of the new subtitle requires warehousemen, processors, exporters, and all persons dealing in wheat marketing certificates to keep such records and make such reports as the Secretary determines necessary. The Secretary would be authorized to examine such records.

Section 379i—Penalties

Any person failing to acquire marketing certificates as required by section 379d(b) would be required to forfeit two times the face value of the marketing certificates involved in the violation.

This section makes it a misdemeanor, subject to a fine of not more than \$5,000, for any person except a producer to violate any provision of the act or of any regulation, governing the acquisition, disposition, or handling of marketing certificates, or to fail to make any report or keep any record required by section 379h.

This section provides for forfeiture of marketing certificates, in whole or in part as the Secretary may determine, by a producer who knowingly violates any provision of the act or of any regulation governing the acquisition, disposition, or handling of marketing certificates, or who fails to make any report or keep any record required by section 379h. The determination by the Secretary with respect to the amount of such marketing certificates to be forfeited shall take into consideration the seriousness of such act or default.

This section also makes it a felony, subject to a fine of not more than \$10,000 or imprisonment for not more than 10 years, or both, to alter, forge, or counterfeit any certificate.

Section 379j—Regulations

Section 379j of the new subtitle authorizes the Secretary to prescribe such regulations as may be necessary to carry out the wheat marketing allocation program.

PRICE SUPPORT

Section 424 of the bill amends the Agricultural Act of 1949, as amended, as follows:

Beginning with the 1963 crop, price support for wheat accompanied by marketing certificates would be at such level between 75 and 90 percent of parity as the Secretary determines appropriate taking into consideration the factors specified in section 401(b) of the act.

Price support for wheat not accompanied by marketing certificates would be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the level at which price support is made available for feed grains, and the feeding value of wheat in relation to feed grains.

If marketing quotas are in effect for the crop, price support would be made available only to cooperators. A cooperator is defined as a producer who (1) does not knowingly exceed the farm acreage allotment for any commodity on the farm or, except as the Secretary may prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (2) complies with the land-use requirements for wheat.

If marketing quotas for any crop of wheat are voted down by producers, no price support would be made available for such crop.

If a national marketing quota is not proclaimed, the level of price support would be as presently provided in section 101, namely, not less than 75 nor more than 90 percent of parity.

Section 424 of the bill amends section 407 of the Agricultural Act of 1949, as amended, relating to restrictions on sales by Commodity Credit Corporation, to provide that if a wheat-marketing allocation program is in effect, the minimum sales price for wheat will be 105 percent of the support price for wheat accompanied by a certificate, plus carrying charges.

Section 424 of the bill also amends section 407 of the Agricultural Act of 1949 to provide that if marketing quotas for any crop of wheat are voted down by producers, Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices not to exceed 200 million bushels of wheat.

SUBTITLE C—DAIRY

Section 430 authorizes the Secretary, through the Commodity Credit Corporation, to institute an emergency dairy surplus reduction payment program for the marketing year ending March 31, 1963, in order to afford producers means by which they can, on a compensated basis, voluntarily reduce their marketings of milk during such marketing year.

Section 431 authorizes Commodity Credit Corporation to make surplus reduction payments to dairy producers who agree to reduce their marketing levels within a stated range below their normal marketing levels. Agreements are to be limited so as not to effect overall reductions in any district in excess of 10 percent of the total

marketings of all producers in such district during the preceding marketing year. Payments shall not exceed (i) \$2.50 per hundred-weight of milk, (ii) such rates as will effectuate voluntary reductions in the marketings, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement will be eligible for payment on the quantity he actually reduces his marketings; provided that such reduction is as much as 10 percent of his normal marketing level. However the rate of payment will be reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

Section 432 authorizes the Secretary to establish a normal marketing level for each producer who desires to participate in the program. The normal marketing level shall be the number of pounds of milk or other units of dairy products which is the lower of (i) the producer's marketings during 1961, or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer, based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variations. The Secretary is authorized to adjust such normal marketing level for abnormal conditions affecting production or marketing.

Section 433 authorizes the Secretary to prescribe conversion factors for use in determining the quantity of milk marketed by producers who market their milk in a form other than as whole milk.

Section 434 provides that the quantity of milk reduced shall be deemed to have been produced and marketed for purposes of protecting the producer's production or marketing history under any farm program in which such history may become a factor. This action also provides for transfers of normal marketing levels.

Section 435 authorizes the Secretary to prescribe rules and regulations and authorizes costs incurred in carrying out the program to be borne by the Commodity Credit Corporation as nonadministrative expenses of the Corporation.

Section 436 authorizes orders under the Agricultural Marketing Agreement Act of 1937 to contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Such adjustment of prices would be on a basis which treats the producer's reduction in marketings as being from the lowest class of milk under the order.

Section 437 provides that no person engaged in the purchase or handling of milk shall discriminate against a producer who enters into a reduction agreement with Commodity Credit Corporation and directs Commodity Credit Corporation not to purchase dairy products from any person determined by the Secretary to practice such discrimination. U.S. district courts are given jurisdiction to hear controversies under this section without reference to amounts involved and to restrain any person from discriminating.

TITLE V—GENERAL PROVISIONS

Section 501

Section 501 amends the Consolidated Farmers Home Administration Act of 1961 by—

(1) including recreational uses and facilities along with the conservation, development and utilization of land and water as purposes for which loans may be made or insured by the Secretary for farm owners under section 304 of existing law to persons eligible under section 302;

(2) including shifts in land use and the development of recreational facilities and sewer systems among the purposes for which planning and other financial assistance may be made to local public and quasi-public nonprofit groups among the purposes for which assistance may be given to such organizations under section 306(a) of the act;

(3) increasing the aggregate amount of loans to be sold and insured under section 309(f)(1) of the act which the Secretary may make out of the Agricultural Credit Insurance Fund and have undisposed of at any one time from \$10 million to \$25 million. The purpose of this change is to accommodate the increased demand of large investors for the assembly of substantial blocks of such loans for purchase from time to time; and

(4) adding to the purpose for which short-term farm operating loans can be made under section 312 of the act funds for recreational uses and facilities on farms.

Section 502

Section 502 contains the usual severability clause applicable to all provisions of the act and preserving the validity of the remaining provisions should any particular provision be held invalid or unconstitutional.

REA PROVISIONS

The committee eliminated sections 502 and 503 of the original bill, H.R. 10010, which would have amended the Rural Electrification Act to provide for the establishment of a "loan account." The subject requires more careful consideration than could be given concurrently with consideration of the complex features of the present legislation.

The committee heard witnesses representing the REA, its borrowers, and electric companies affected by the REA program. It is evident that REA borrowers have done a good job; but it is equally apparent that widespread controversy has been evoked by administrative policy, particularly as relates to the secrecy surrounding loan applications and to industrial loans.

Testimony revealed a growing public concern over the failure of the REA to disclose information on various phases of its operation. The public is entitled to know how public funds are being used, and the REA should approach the consideration of loans for generating facilities in a manner designed to provide as full public information as possible. The ultimate consumer is entitled to the most advantageous source of power, determined by bringing together all pertinent facts in an objective manner. Public hearings appear to be a reasonable means of accomplishing that end. Certainly, interested parties should be notified and their views obtained before such loans are approved. Secrecy tends to kindle doubt, whereas public knowledge of the reasons

for and justification of loans would go far toward dispelling criticism which threatens to bring the program into disrepute.

The committee heard testimony that loans under section 5 of the act, which was intended to help farm and other rural people to utilize the electricity that the REA program was bringing to them, are now used to finance industry. The committee feels that REA's present interpretation of section 5 of the 1936 act is inconsistent with the original intent of Congress.

It is the opinion of the committee that loans for generation and transmission facilities should be made only when it is shown conclusively that: (1) energy is not available on reasonable terms from any existing source, (2) the proposed generating plant can produce energy at a lower cost than it could be obtained from any other source, and (3) the output of such plant will be used mainly for supplying energy for use in rural areas. Decisions on all generation loan applications should take into account fully the willingness of other power suppliers to meet the requirements of the rural electric cooperatives on a reasonable basis.

Congress, of course, is charged with the responsibility of assuring that public funds are handled in accordance with the original intent of the Rural Electrification Act. Since it appears that the rural electrification program will be requiring continuing large amounts of Federal funds, it will be necessary to devote careful consideration to the need for such funds.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * *

SEC. 7. * * *

[(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

[(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

[(d) No such plan shall be approved unless by its terms:

[(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

[(2) It provides for such methods of administration, and such participation in the administration of the plan by county and

community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

[(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

[(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

[(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

[(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

[(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

[(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however,* That any such apportionment of funds available for carrying out State plans during any year prior to 1942 may be made at any time prior to or during the year to which such plans relate. Notwithstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approval plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.】

SEC. 8. [(a) In order to carry out the purposes specified in section 7(a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1963, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1962, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1963. During the period prior to January 1, 1963, the Secretary shall carry out the purposes specified in section 7(a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.]

(b) [Subject to the limitations provided in subsection (a) of this section, the] The Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), (4), and (5) of section 7(a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion; (2) changes in the use of their land; (3) their equitable share, as determined by the Secretary, of the normal national production of any commodity or commodities required for domestic consumption; or (4) their equitable share, as determined by the Secretary, of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7(a); or (5) any combination of the above. Clauses (1) and (2) above shall be construed to cover water conservation and the beneficial use of water on individual farms, including measures to prevent runoff, the building of check dams and ponds, and providing facilities for applying water to the land. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section in the States of the Union, except Alaska, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided. The Secretary shall designate local administrative areas as units for administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs administered within such area, shall elect annually from

among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall elect a secretary and may utilize the county agricultural extension agent for such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committees hereinbefore specified. The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary—shall, as far as practicable, protect the interests of tenants and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right of interest therein; shall, in every practicable manner, protect the interests of small producers; and shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services, to agricultural producers under this subsection, the Secretary may make payments in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services, furnished to producers, or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers, of soil-building or soil-conserving practices approved by the Secretary. The price at which

purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materials or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in programs under this Act; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of all expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

* * * * *

SEC. 16. * * *

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(e) (1) *For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.*

(2) *The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.*

(3) *The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.*

(4) *The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.*

(5) *There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection.*

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WATERSHED PROTECTION AND FLOOD PREVENTION ACT, AS AMENDED

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SEC. 2. For the purposes of this Act, the following terms shall mean:
The "Secretary"—The Secretary of Agriculture of the United States.

"Works of improvement"—any undertaking for—

(1) flood prevention (including structural and land-treatment measures) or

(2) the conservation, development, utilization, and disposal of water in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than **[five thousand]** *twelve thousand five hundred* acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of \$250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: *Provided*, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"Local organization"—any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under State law to carry out, maintain and operate the works of improvement; or any irrigation or reservoir company, water users' association, or similar organization having such authority and not being operated for profit that may be approved by the Secretary.

* * * * * * *

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire, or with respect to interests in land to be acquired by condemnation provide assurances satisfactory to the Secretary that they will acquire, without cost to the Federal Government, such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance**[.]**: *Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary

shall be authorized to bear not to exceed two-thirds of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: Provided further, That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: Provided further, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds;.

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of [the direct identifiable benefits] national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act[.]; Provided, That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: Provided further, That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: And provided further, That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no

event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8;

(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

(4) acquire, or provide assurance that landowners or water users have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement;

(5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance; and

(6) submit a plan of repayment satisfactory to the Secretary for any loan or advancement made under the provisions of section 8.

SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization [with such assistance as it may request from the Secretary, which assistance the Secretary is hereby authorized to give, shall] *may* secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, [and in order to properly carry out such services in such projects as to such structures therein providing for municipal or industrial water supplies, the local organization shall, and in such projects not providing for municipal or industrial water supplies, the local organization may, retain or employ] *by retaining or employing* a professional engineer or engineers satisfactory to the Secretary [, and the Secretary shall reimburse the local organization for the cost it may incur for the services of such engineer or engineers as is properly chargeable to such works of improvement, except that if the local organization decides not to retain or employ a professional engineer or if the Secretary determines that competent engineering services are not available he may contract for a competent engineer to provide such services or arrange for employees of the Federal Government] *or may request the Secretary to provide such services: Provided, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement*

in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: Provided further, That [at the request of the local organization which retains or employs a professional engineer or engineers as aforesaid,] *the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated [total] installation cost of such works. [: Provided further, That,]*

(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure [unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: *Provided, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of the Act: Provided further, That*].

(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in *the plan* for any watershed or subwatershed area shall exceed \$250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President [*: Provided further, That*].

(4) Any [such] *plan for works of improvement* involving an estimated Federal contribution to construction costs in excess of \$250,000 or [containing] *including* any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary [of Agriculture] prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary [of Agriculture] to the Congress through the President [*: Provided further, That*].

(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

* * * * *

SEC. 7. The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: *Provided, That* (a) the authority of that Department

of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by the Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be affected by the provisions of this section: *Provided further*, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto.

BANKHEAD-JONES FARM TENANT ACT

TITLE III—RETIREMENT OF SUBMARGINAL LAND

SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including *the more economic use of lands* and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, *providing public recreation*, preserving natural resources, *protecting fish and wildlife*, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in the options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes: *Provided*, however, That an exchange may be made with private owners and with subdivisions or agencies of State governments in any case where the Secretary of Agriculture finds that such exchange would not conflict with the purposes of the Act, and that the value of the property received in exchange is substantially equal

to that of the property conveyed. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate [with], *enter agreements with, or to furnish financial or other aid to, any Federal, State, territorial, [and other public agencies] or any other agency, governmental or otherwise,* in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively[,] the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of said sections. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U.S.C., 1934 ed., title 18, sec. 104).

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

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SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President [out of its stocks] such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the President may authorize the transfer on a grant basis of surplus agricultural commodities [from Commodity Credit Corporation stocks] *(as defined in section 106 of title I) made available by Commodity Credit Corporation* to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * *

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President [out of its stocks] such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the President may authorize the transfer on a grant basis of surplus agricultural commodities [from Commodity Credit Corporation stocks] (as defined in section 106 of title I) made available by Commodity Credit Corporation to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

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SEC. 308. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized—

(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States;

(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will tend to maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad.

* * * * *

SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so

that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use. *It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.*

SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations *including financial institutions acting in behalf of such nations* under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made. *In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title.*

SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in [approximately equal] *reasonable* annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement *except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery*, and interest shall be computed from the date of such last delivery.

* * * * *

SEC. 405. [In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.] *In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.*

SEC. 406. In carrying out this title, the provisions of sections 101 (b) and (c), 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title.

AGRICULTURAL ACT OF 1949

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SEC. 416. In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in non-profit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.

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ACT OF SEPTEMBER 6, 1958

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SEC. 9. Notwithstanding any other provision of law (1) those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431); and (2) the Commodity Credit Corporation is authorized to purchase products of oil seeds, and edible oils and fats and the products thereof in such form as may be needed for donation abroad as provided in the following sentence. Any such commodities or products if purchased shall be donated to nonprofit voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons *and in nonprofit school-lunch programs* outside the United States. Commodity Credit Corporation may incur such additional costs with respect to such oil as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949.

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**AGRICULTURAL ADJUSTMENT ACT, AS REENACTED AND
AMENDED BY THE AGRICULTURAL MARKETING AGREE-
MENT ACT OF 1937, AS AMENDED**

* * * * *

SEC. 8c(2) Orders issued pursuant to this section shall be applicable only to (A) the following agricultural commodities and the products thereof (except canned or frozen grapefruit, cherries, apples, or cranberries, the products of naval stores, and the products of honeybees), or to any regional, or market classification of any such commodity or product: Milk, fruits (including filberts, almonds, pecans and walnuts but not including apples, other than apples produced in the States of Washington, Oregon, Idaho, New York, Michigan, Maryland, New Jersey, Indiana, California, Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut, and not including fruits for canning or freezing other than olives, grapefruit, cranberries, and apples produced in the States named above except Washington, Oregon, and Idaho), tobacco, vegetables **[not including vegetables, other than asparagus, for canning or freezing]** (*not including vegetables other than asparagus for canning or freezing, or potatoes for dehydrating*), hops, honeybees and naval stores as included in the Naval Stores Act and standards established thereunder (including refined or partially refined oleoresin): *Provided*, That no order issued pursuant to this section shall be effective as to any grapefruit for canning or freezing unless the Secretary of Agriculture determines, in addition to other findings and determinations required by this Act, that the issuance of such order is approved or favored by the proc-

processors who, during a representative period determined by the Secretary, have been engaged in canning or freezing such commodity for market and have canned or frozen for market more than 50 per centum of the total volume of such commodity canned or frozen for market during such representative period; and (B) any agricultural commodity (except honey, cotton, rice, wheat, corn, grain sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry (but not excepting turkeys), eggs (but not excepting turkey hatching eggs), fruits and vegetables for canning or freezing, *potatoes for dehydrating*, and apples), or any regional or market classification thereof, not subject to orders under (A) of this paragraph, but not the products (including canned or frozen commodities or products) thereof. No order issued pursuant to this section shall be effective as to cherries, apples, or cranberries for canning or freezing unless the Secretary of Agriculture determines, in addition to other required findings and determinations, that the issuance of such order is approved or favored by processors who, during a representative period determined by the Secretary, have engaged in canning or freezing such commodity for market and have frozen or canned more than 50 per centum of the total volume of the commodity to be regulated which was canned or frozen within the production area, or marketed within the marketing area, defined in such order, during such representative period. No order issued pursuant to this section shall be applicable to peanuts produced in more than one of the following production areas: the Virginia-Carolina production area, the Southeast production area, and the Southwest production area. If the Secretary determines that the declared policy of the title will be better achieved thereby (i) the commodities of the same general class and used wholly or in part for the same purposes may be combined and treated as a single commodity and (ii) the portion of an agricultural commodity devoted to or marketed for a particular use or combination of uses, may be treated as a separate agricultural commodity. All agricultural commodities and products covered hereby shall be deemed specified herein for the purposes of section 8c (6) and (7) of this title.

AGRICULTURAL ACT OF 1949

* * * * *

SEC. 105. [(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

[(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level

at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.】

(a) *Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—*

(1) *price support for each crop of corn shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products;*

(2) *price support for each crop of barley, grain sorghums, oats, and rye, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn, location, and buyer preference;*

(3) *if marketing quotas are in effect for the crop of any feed grain, price support for such crop shall be made available only to cooperators;*

(4) *no price support shall be made available for any crop of a feed grain for which a marketing quota is not in effect because of disapproval by producers; and*

(5) *a "cooperator" with respect to any crop of feed grains produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary.*

【(c)】(b) *Notwithstanding any other provision of law—*

(1) *The level of price support for the 1961 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn and grain sorghums shall be made available on not to exceed the normal production of the 1961 acreage of corn and grain sorghums of each eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.*

(2) *The Secretary shall require as a condition of eligibility for price support on the 1961 crop of corn, grain sorghums, and any other feed grain which he may designate that the producer shall participate in the special agricultural conservation program for 1961 for corn and grain sorghums to the extent prescribed by the Secretary.*

(3) *The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each*

eligible farm based on its average yield per acre for the 1959 and 1960 crop acreage.

(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided*, That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.

* * * * *

SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b);

(2) price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains;

(3) if marketing quotas are in effect for the crop of wheat, price support shall be made available only to cooperators;

(4) no price support shall be made available for any crop of wheat for which marketing quotas are not in effect because of disapproval of quotas; by producers;

(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101; and

(6) a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use

requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary.

* * * * *

SEC. 401. * * *

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) *the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations*, [(2)] (3) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, [(3)] (4) the availability of funds, [(4)] (5) the perishability of the commodity, [(5)] (6) the importance of the commodity to agriculture and the national economy, [(6)] (7) the ability to dispose of stocks acquired through a price-support operation, [(7)] (8) the need for offsetting temporary losses of export markets, and [(8)] (9) the ability and willingness of producers to keep supplies in line with demand.

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SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended[.]: *Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a domestic certificate and wheat sold shall be accompanied by a domestic certificate. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts

and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855), and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock. Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form. *Notwithstanding any other provision hereof, if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains. Notwithstanding any other provision hereof, if a marketing quota for wheat for any marketing*

year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during the marketing year not to exceed two hundred million bushels of wheat.

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AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

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DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to continue the Soil Conservation and Domestic Allotment Act, as amended, for the purpose of conserving national resources, preventing the wasteful use of soil fertility, and of preserving, maintaining, and rebuilding the farm and ranch land resources in the national public interest; to accomplish these purposes through the encouragement of soil-building and soil-conserving crops and practices; to assist in the marketing of agricultural commodities for domestic consumption and for export; [and] to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce through storage of reserve supplies, loans, marketing quotas, assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income, and assisting consumers to obtain an adequate and steady supply of such commodities at fair prices[.]; *and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers.*

* * * * *

SEC. 301. (a) * * *

(10) *The term "feed grains" means corn, oats, grain sorghums, and barley. The term "feed grains" shall also include rye if the Secretary designates such commodity.*

(11) *The term "acreage of feed grains" means acreage of feed grains planted for harvest (including self-seeded feed grains).*

(12) *The term "crop" as applied to "feed grains" means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year.*

(b) * * *

(6)(A) "Market", in the case of corn, cotton, rice, tobacco, and wheat, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of [corn and] wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of [, but does not include disposing of any of such commodities as

premium to the Federal Crop Insurance Corporation under Title V].

* * * * *

(7) ["Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

[Corn, October 1–September 30;

[Cotton, August 1–July 31;

[Rice, August 1–July 31;

[Tobacco (flue-cured), July 1–June 30;

[Tobacco (other than flue-cured), October 1–September 30;

[Wheat, July 1–June 30.]

"Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

Barley, July 1–June 30;

Corn, October 1–September 30;

Cotton, August 1–July 31;

Oats, July 1–June 30;

Grain sorghums, July 1–June 30;

Peanuts, August 1–July 31;

Rice, August 1–July 31;

Rye, July 1–June 30;

Tobacco (flue-cured), July 1–June 30;

Tobacco (other than flue-cured), October 1–September 30;

Wheat, July 1–June 30;

"Marketing year" means, in the case of "feed grains", the marketing years for the agricultural commodities comprising the feed grains.

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PART III—MARKETING QUOTAS—WHEAT

LEGISLATIVE FINDINGS

SEC. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

【The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and provide for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions.】

Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also effect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore,

necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce.

**[PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS] NATIONAL
MARKETING QUOTA**

SEC. 332. **[Not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year.]**

(a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat, not to exceed 16 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

(c) *If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.*

NATIONAL ACREAGE ALLOTMENT

SEC. 333. **【**The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop and imports, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for any year shall be not less than fifty-five million acres.**】** *Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production of wheat on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.*

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the **【ten】** *five* calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to

avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the [ten] five calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage, seeded for the production of wheat during the [ten] five calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practice: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

* * * * *

(e) If, with respect to any of the 1962, 1963, and 1964 crops of wheat, the Secretary determines that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demands therefor (but not including export demand involving a subsidy by, or a loss to, the Federal Government), he shall increase the farm marketing quotas and acreage allotments for such crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II), and (2) have produced such wheat for commercial food products during one or more of the five years immediately preceding the year

in which such crop is harvested. The Secretary shall determine the percentage factor by which the average acreage of durum wheat (class II) produced during the last two-year period for which statistics are available (excluding any increases in durum wheat acreage as a result of increases in wheat acreage allotments authorized by this subsection) must be increased to satisfy such demand. The wheat acreage allotment for any farm established for such crop without regard to this subsection, after reduction in the case of the 1962 crop as required by section 334(c)(2), (hereinafter referred to as the "original allotment") shall be increased by an acreage computed by multiplying the average acreage of durum wheat (class II) on the farm during such two-year period (excluding any increase in the acreage of durum wheat as a result of an increase in the wheat acreage allotment for the farm authorized by this subsection) by such percentage factor: *Provided*, That such increased allotment shall not exceed the cropland on the farm well suited to wheat. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of an acreage of durum wheat (class II) at least equal to the average acreage of such wheat produced during such two-year period plus the number of acres by which the allotment is increased. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term "durum wheat" means durum wheat (class II) other than the varieties known as "Golden Ball" and "Peliss". Any farm receiving an increased allotment under this subsection shall not be required as a condition of eligibility for price support, or permitted, to participate in the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961. *The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support.* The Secretary shall give growers and millers of durum wheat and manufacturers of semolina products an opportunity to present their views and recommendations, prior to making any determination hereunder.

* * * * *

[(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1 in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to seed his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm acreage allotments: *Provided*, That if any producer on a farm

obtains a reduction in the storage amount of any previous crop of wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), or by reason of producing less than the normal production of the farm wheat acreage allotment pursuant to section 326(b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established.】

【(h)】(g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

【(i)】(h) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 through 1963 crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage. *The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection.* Any

provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 [or 1963] crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms.

(j) *This part III shall be applicable to the continental United States excluding Alaska.*

[MARKETING QUOTAS] SMALL FARM EXEMPTION

SEC. 335. [(a) Whenever in any calendar year the Secretary determines—

[(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

[(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity

the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

[(b) The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

[(c) The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

[(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

[(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

[(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 339. Any farmer who stores, in accordance with regulations issued by the Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.

[(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.

[(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this Act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1958 or any subsequent year on the following conditions:

[(1) That the total wheat acreage on the farm does not exceed 30 acres: *Provided, however,* That this condition shall not apply to farms operated by and as part of State or county institutions or religious or eleemosynary institutions;

[(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services;

[(3) That such entire crop of wheat is used on such farm for seed, human food, or feed for livestock, including poultry, owned by any such producer, or a subsequent owner or operator of the farm; and

[(4) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this Act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm and the estimated production from such excess acreage shall not be included in total supply and normal supply in the determination of future marketing quotas and level of price support. No producer exempted under this section shall be eligible to vote in the referendum under section 336 with respect to the next subsequent crop of wheat.]

Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a base of fifteen acres or less (hereinafter called "small-farm base acreage") if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1957, 1958, 1959, 1960, and 1961, with adjustments

for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator elects to be subject to the farm acreage allotment and marketing quota the acreage allotment for the farm shall be the larger of (i) the allotment otherwise determined for the farm, or (ii) the small-farm base acreage for the farm established on the basis of the crops for the calendar years 1957, 1958, 1959, 1960, and 1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of the acreage allotment or the small-farm base acreage determined for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments.

REFERENDUM

SEC. 336. [Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat. Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962, may be conducted not later than August 26, 1961. Notwithstanding any other provision hereof, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1962.] If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a small-farm base acreage for such crop of wheat and who does not elect, pursuant to section 335, to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the

referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

[ADJUSTMENT AND SUSPENSION OF QUOTA] SUBSTITUTION OF FEED GRAINS FOR WHEAT

SEC. 337. [(a) If the total supply as proclaimed by the Secretary within forty-five days after the beginning of the marketing year is less than that specified in the proclamation by the Secretary under section 335(a), then the national marketing quota specified in the proclamation under such section shall be increased accordingly.

[(b) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than a normal year's domestic consumption and exports plus 30 per centum thereof, the Secretary shall proclaim such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective.] *Notwithstanding any other provision of law, the Secretary shall permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, as the Secretary determines will not adversely affect the operation of this program.*

* * * * *

LAND USE

SEC. 339. (a)(1) *During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary under the provisions of subsection (f) of this section, or (ii) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty*

on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments shall be made in amounts determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Payments shall be in an amount not to exceed the estimated normal production of wheat for the acreage diverted, multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: Provided, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under the land-use provisions for feed grains pursuant to section 360j, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors adversely affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share. The producers on a

new farm shall not be eligible for payments hereunder. Payments may be made in cash or in wheat. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

(1) The basis on which producers would have shared in the production of wheat had wheat been produced on the diverted acreage;

(2) The savings or benefits accruing to each producer on the diverted acreage;

(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of unintentional failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

(e) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

(f) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses

(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

(j) Notwithstanding any other provision of law performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297-298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

PART VII—MARKETING QUOTAS—FEED GRAINS

LEGISLATIVE FINDINGS

SEC. 360. *The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.*

Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

The principal grains used for livestock feed are corn, barley, grain sorghums, and oats. Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

The diversion of substantial acreages from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large

changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce, and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

NATIONAL MARKETING QUOTA

SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains not to exceed 7 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: Provided, That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation

to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

NATIONAL ACREAGE ALLOTMENT

SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production on increased acreages resulting from the small-farm exemption pursuant to section 360f, make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b) (2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

(b) (1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c) (2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of new areas coming into the production of feed grains.

(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

(2) The reserve acreage established pursuant to subsection (b)(1) of this section shall be available:

(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farm during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered the purpose of establishing fair and equitable farm acreage allotments.

(d) In determining the State, county, and farm base acreages—

(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

(2) the Secretary shall make such upward adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under the conservation reserve and other Federal farm programs, established crop-rotation practices on the farm, hardships, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

(4) the acreage of wheat produced on the farm pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm.

(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the pro-

duction of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purpose as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

GEOGRAPHICAL APPLICABILITY

SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

SMALL FARM EXEMPTION

SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of twenty-five acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. If the owner or operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage if the acreage of such crop of feed grains exceeded the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

REFERENDUM

SEC. 360g. If a national marketing quota for feed grains for one two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or

years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm feed grain base of twenty-five acres or less and who does not elect, pursuant to section 360f, to be subject to the farm acreage allotment. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

COMPLIANCE

SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: Provided, That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: Provided further, That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

(2) For the purposes of this section, (i) "actual production" of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) "normal production" of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield of such feed grain determined by the Secretary for the farm during the base period (as defined in subsection (d)(1) of section 360d) adjusted to the extent the Secretary determines necessary for abnormal factors affecting production.

(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 337 shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secre-

tary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

(d) Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

SUBSTITUTION OF WHEAT FOR FEED GRAINS

SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

LAND USE

SEC. 360j. (a)(1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to

be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary pursuant to subsection (e) hereof or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1, of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section. Payments shall be in an amount not to exceed the estimated normal production of feed grains for the acreage diverted, multiplied by 50 per centum of the estimated basic county support rates for feed grains in the case of the 1963 crop, 40 per centum of the estimated basic county support rate for feed grains in the case of the 1964 crop, and 30 per centum of the estimated basic county support rate for feed grains in the case of the 1965 crop. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: Provided, That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted

to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in the Conservation Reserve and other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. Payments may be made in cash or in feed grains. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

(1) The basis on which producers would have shared in the production of feed grains had feed grains been produced on the diverted acreage;

(2) The savings or benefits accruing to each producer on the diverted acreage;

(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, malting barley, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

(f) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, any payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (i.e., production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of Section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of Section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

* * * * *

APPLICATION OF PART

SEC. 361. This part shall apply to the publication and review of farm marketing quotas established for tobacco, corn, wheat, feed grains, cotton, peanuts, and rice, established under subtitle B [1], and to the review of land-use penalties assessed pursuant to sections 339 and 360j.

PUBLICATION AND NOTICE OF QUOTA

SEC. 362. All acreage allotments, and the farm marketing quotas established for farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. An additional copy of this information shall

be kept available in the office of the county agricultural extension agent or with the chairman of the local committee. Notice of the farm marketing quota of his farm shall be mailed to the farmer. Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum. *Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer.*

REVIEW BY REVIEW COMMITTEE

SEC. 363. Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary. Such committee shall not include any member of the local committee which determined the farm acreage allotment, the normal yield, or the farm marketing quota for such farm. Unless application for review is made within such period, the original determination of the farm marketing quota or land-use penalty shall be final.

GENERAL ADJUSTMENTS OF QUOTAS

SEC. 371. (a) If at any time the Secretary has reason to believe that in the case of [corn, wheat,] cotton, rice, peanuts, or tobacco the operation of farm marketing quotas in effect will cause the amount of such commodity which is free of marketing restrictions to be less than the normal supply for the marketing year for the commodity then current, he shall cause an immediate investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall proclaim the same forthwith. He shall also in such proclamation specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make the amount of such commodity which is free of marketing restrictions equal the normal supply.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, [any national acreage allotment for corn or] any national marketing quota or acreage allotment for [wheat,] cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary [in order to effect the declared policy of this Act] or to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota or allotment shall be increased, or shall terminate, as the case may be.

* * * * *

PAYMENT AND COLLECTION OF PENALTIES

SEC. 372. (a) The penalty with respect to the marketing, by sale, of wheat, *feed grains*, cotton, or rice, if the sale is to any person within the United States, shall be collected by the buyer.

* * * * *

REPORTS AND RECORDS

SEC. 373. (a) This subsection shall apply to warehousemen, processors, and common carriers of [corn] *feed grains*, wheat, cotton, rice, peanuts, or tobacco, and all ginnerers of cotton, all persons engaged in the business of purchasing [corn] *feed grains*, wheat, cotton, rice, peanuts, or tobacco from producers, all persons engaged in the business of redrying, prizing, or stemming tobacco for producers, all brokers and dealers in peanuts, all agents marketing peanuts for producers, or acquiring peanuts for buyers and dealers, and all peanut growers' cooperative associations, all persons engaged in the business of cleaning, shelling, crushing, and salting of peanuts and the manufacture of peanut products, and all persons owning or operating peanut-picking or peanut-threshing machines. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this title. Such information shall be reported and such records shall be kept in accordance with forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as he has reason to believe are relevant and are within the control of such person. Any such person failing to make any report or keep any record as required by this subsection or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500; and any tobacco warehouseman or dealer who fails to remedy such violation by making a complete and accurate report or keeping a complete and accurate record as required by this subsection within fifteen days after notice to him of such violation shall be subject to an additional fine of \$100 for each ten thousand pounds of tobacco, or fraction thereof, bought or sold by him after the date of such violation: *Provided*, That such fine shall not exceed \$5,000; and notice of such violation shall be served upon the tobacco warehouseman or dealer by mailing the same to him by registered mail or by certified mail or by posting the same at any established place of business operated by him, or both.

(b) Farmers engaged in the production of [corn] *feed grains*, wheat, cotton, rice, peanuts, or tobacco for market shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as the Secretary may prescribe as necessary for the administration of this title.

* * * * *

MEASUREMENT OF FARMS AND REPORT OF PLANTINGS

SEC. 374. (a) The Secretary shall provide, through the county and local committees, for measuring farms on which **[corn]** *feed grains*, wheat, cotton, peanuts, or rice is produced and for ascertaining whether the acreage planted for any year to any such commodity is in excess of the farm acreage allotment for such commodity for the farm under this title. If in the case of any farm the acreage planted to any such commodity on the farm is in excess of the farm acreage allotment for such commodity for the farm, the committee shall file with the State committee a written report stating the total acreage on the farm in cultivation and the acreage planted to such commodity.

* * * * *

REGULATIONS

SEC. 375. (a) The Secretary shall provide by regulations for the identification, wherever necessary, of **[corn]** *feed grains*, wheat, cotton, rice, peanuts, or tobacco so as to afford aid in discovering and identifying such amounts of the commodities as are subject to and such amounts thereof as are not subject to marketing restrictions in effect under this title.

(b) The Secretary shall prescribe such regulations as are necessary for the enforcement of this title**[.]** *or to effectuate the provisions thereof.*

* * * * *

SUBTITLE D—WHEAT MARKETING ALLOCATION

LEGISLATIVE FINDINGS

SEC. 379a. *Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.*

WHEAT MARKETING ALLOCATION

SEC. 379b. *During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation, which shall be the amount of wheat used during the marketing year for human consumption in the United States and exports on which marketing certificates shall be issued to producers in*

order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota of wheat during the calendar year in which such marketing year begins. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the estimated yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage.

MARKETING CERTIFICATES

SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the estimated yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer.

(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

MARKETING RESTRICTIONS

SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates

held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary, and subject to such regulations as he may prescribe, to secure the purchase of and payment for such marketing certificates as may be required, any person required to have marketing certificates in order to market or export a commodity may market any such commodity without having first acquired marketing certificates.

(d) As used in this subtitle, the term "food products" means any product to be used for human consumption, including beverage.

ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases and in the purchase and sale of marketing certificates to make such discounts and charge such premiums not exceeding 5 per centum of the face value of the certificate as the Secretary shall determine necessary to encourage the purchase and sale of such certificates through commercial channels.

CONVERSION FACTORS

SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

AUTHORITY TO FACILITATE TRANSITION

SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall

include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

REPORTS AND RECORDS

SEC. 379h. This section shall apply to warehousemen, processors, exporters, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

PENALTIES

SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

(b) Any person, except a producer who is subject to subsection (c) of this section, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.

(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers,

or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than \$10,000 or imprisonment of not more than ten years, or both.

REGULATIONS

SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.

SUBTITLE [D] E—RICE CERTIFICATES

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SUBTITLE [E] F—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

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FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, *payment under section 360j*, parity payment, *payment under section 339*, loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations.

* * * * *

PUBLIC LAW 74, 77TH CONGRESS

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) [The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.

【The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.】 *The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of the Agricultural Adjustment Act of 1938, as amended, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.*

(2) 【During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty on wheat shall be 45 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.】 *Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.*

(3) 【The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal

production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.】 *The farm marketing excess for wheat shall be considered as available for marketing, and the penalty shall be computed upon twice the normal production of the excess acreage. Whereupon the application of the producer for an adjustment of penalty, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than twice the normal production thereof, the difference between the amount of the penalty as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.*

(4) 【Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.】 *Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.*

(5) The penalty upon 【corn or】 wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of 【corn or】 wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

【(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1962 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.】

【(8)】 (7) 【Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty

thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution.】 *Until the penalty is paid on the marketing excess of wheat each bushel of wheat produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution.* Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. *If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.*

【(9)】 (8) The marketing penalty for rice produced in the calendar year in which any marketing year begins (if beginning with or after the 1941-1942 marketing year) shall be at a rate equal to 50 per centum of the basic rate of the loan for cooperators for such marketing year under section 302 of the Act and this resolution.

【(10)】 (9) The Commodity Credit Corporation is directed to make available upon the 1941 crop of the commodities cotton, corn, wheat, rice, or tobacco, for which producers have no disapproved marketing quotas for the marketing year beginning in 1941, loans as follows:

(a) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 85 per centum of the parity price for the commodity as of the beginning of the marketing year;

(b) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (a) above;

(c) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (a) above and only on so much of the commodity as would be subject to penalty if marketed.

【(11)】 (10) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301(b)(6), 323(b), or 335(d) of the Act.

【(12)】 Notwithstanding any of the foregoing provisions, the farm marketing excess for any crop of wheat for any farm shall not be larger than the amount by which the actual production of such crop of wheat on the farm exceeds the normal production of the farm wheat-acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary. Where a downward adjustment in the amount of the farm marketing excess is made pursuant to the provisions of this paragraph, the difference between the amount of the penalty or storage as computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.】

(11) *The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.*

(12) *If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.*

AGRICULTURAL ACT OF 1961

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TITLE III—AGRICULTURAL CREDIT

SEC. 301. (a) This title may be cited as the "Consolidated Farmers Home Administration Act of 1961".

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SUBTITLE A—REAL ESTATE LOANS

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SEC. 304. Loans may also be made or insured under the subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only of land and water development, use and conservation *including, subject to all the provisions of section 302, recreational uses and facilities.*

* * * * *

SEC. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, *shifts in land use including the development of recreational facilities*, the conservation, development, use, and control of water and the installation or improvement of drainage or *sèwer* facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed \$500,000 in the case of direct loans and \$1,000,000 in the case of insured loans at any one time.

* * * * *

SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

(f) The Secretary may utilize the fund—

(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed **[\$10,000,000]** \$25,000,000 at any one time.

* * * * *

SUBTITLE B—OPERATING LOANS

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SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchasing feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation *including recreational uses and facilities*, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

MINORITY REPORT

BACKGROUND

The administration has finally forced its bill, H.R. 11222, out of the Committee on Agriculture only by the repeated application of intense political pressure, the like of which we have never witnessed in the past.

In spite of this pressure, the bill just barely cleared the committee (which is controlled by a margin of 21 to 14 by the majority) by a vote of 18 to 17 with 1 proponent publicly stating he would oppose the bill on the floor of the House. And this action came only after three desperate attempts to report the bill on April 13, May 2, and May 7, 1962.

Administration tactics have included a Presidential suggestion to visiting State ASC committeemen to "not let your Congressman get lonesome," reams of printed propaganda by the Department of Agriculture and wholesale lobbying by a swarm of administration representatives.

This sharp division of opinion within the committee reflects a growing concern over the wisdom of the administration's basic policy goal of completely dominating and controlling all of American agriculture. While this legislation specifically earmarks wheat and feed grain farmers for new and stringent controls, livestock producers and other farmers now free of Government controls should recognize that they are next in line.

The bill sets forth the first steps for controlling dairy production by authorizing a lucrative payment plan under which the basic data and administrative machinery would be established for next year's sure-to-come dairy control plan. Dairy farmers need only look to the feed grain farmer as an example of this fact. For the last 2 years there has been a "voluntary" feed grain program often described by the Secretary of Agriculture as a "smashing success," but now described by the administration as "too costly and expensive" to continue. H.R. 11222 would replace the present feed grain program with an extremely inequitable and ineffective compulsory program.

To illustrate fully the undesirable trend toward Federal mastery of agriculture we need only refer to the recommendation for agriculture made by the administration last year. This fantastic proposal called for a shotgun attack on all of agriculture, including Federal production controls on each and every one of the 256 agricultural commodities produced in America.

These control plans would of course have been written, imposed, and enforced by the Secretary of Agriculture. Each new plan would automatically go into effect 60 days after being sent to the House and Senate. Congress could veto but not amend. Last year's wheat proposal didn't even include perfunctory consideration by Congress. Fortunately for America, Congress emphatically rejected this bizarre scheme.

After last year's defeat the administration changed its tactics, but not its purpose. A bill (H.R. 10010) was submitted to Congress calling for stricter wheat controls, tight new controls on feed grains, and a virtual licensing of dairy farming. By concentrating its efforts on a few commodities the administration apparently hoped to avoid its mistake of last year when it bit off a bit more than it could chew.

The dairy proposal ran into immediate trouble and was quickly discarded as unworkable, unacceptable, and unsound. The dairy industry virtually unanimously rejected the administration's dairy program.

For example, the National Milk Producers Federation described it as follows:

Surely it would be the height of folly to require American producers to submit to rigid production controls to reduce total supply and then permit imports to come in and replace our own production. Without effective import controls domestic production could be rolled back without in any way reducing the surplus problem.

The Metropolitan Cooperative Milk Producers Bargaining Agency, of Syracuse, N.Y., said:

We feel that this section as written allows the Secretary of Agriculture to virtually dictate what producers must do and that a referendum vote granted them would be as meaningless as a Russian election.

The administration dairy program (sec. 440 of H.R. 10010) also called for the imprisonment in a Federal penitentiary for up to 1 year, or a \$2,000 fine, or both, for any dairy farmer who failed to keep proper books and records as determined by the Secretary of Agriculture.

Other major provisions in the original bill which were rejected included a request by the Secretary for authority to purchase and condemn farmland including whole farms, a request to turn over to the United Nations U.S. funds and surplus farm commodities, a request to impose strict production controls on producers of turkeys and turkey hatching eggs, prison terms for wheat farmers, and a request to establish a revolving fund subject to congressional review for the Rural Electrification Administration.

As the hearings on the bill progressed, it became readily apparent that there was no clamor or desire on the part of farmers for this legislation.

On the contrary, all members received and are continuing to receive heavy mail in opposition to the bill.

While we recognize that all opinion polls have limited application, we feel that the recent poll taken by one of the Nation's largest and leading farm magazines is highly indicative of farmer opinion on this bill. In a final tally of 64,560 ballots received from actual farmers these results were obtained:

	<i>Percent</i>
Total for compulsory quotas.....	4
Total for land retirement.....	43
Total for Government clear-out.....	53
Total.....	100

During the consideration of the bill in the committee, the minority attempted time after time either to perfect or to strike from the bill provisions which we felt were undesirable, while also offering constructive alternatives to these objectionable features.

As is generally the case in omnibus legislation, H.R. 11222 contains some worthwhile provisions which, if left to stand on their own merits, would undoubtedly receive the approval of the House. It is unfortunate that such provisions must be attached to such an undesirable bill.

At the appropriate time in floor debate we will continue our attempts to improve and amend this bill.

GENERAL STATEMENT

While specific objections to H.R. 11222 are legion, one basic objection is dominant: the objection to compulsion and control by the Federal Government to restrict and destroy the rights of farmers to use and enjoy their farms. While it is also apparent that this legislation is ineffective, discriminatory, unfair, wasteful, and unsound, the basic issue revolves around whether there should be a continuation of a system which recognizes the individual farmer and his right to enjoy the success or suffer the failure of free enterprise decisions, or whether our national policy should embrace the concept of a tightly regimented agriculture established as a federally sponsored monopoly.

Secretary Freeman was quoted by the Associated Press on Friday, May 11, 1962, when this bill was ordered reported to the House as saying he regarded this bill as a turning point in the farm program.

The Secretary's statement is indeed a true one. If the Congress adopts H.R. 11222 in its present form, the turning point will be passed and all of agriculture will be committed to the "supply management" or planned scarcity concept. Experience on the five crops now under Government control shows that once imposed these controls are not removed.

We also feel that it is appropriate to consider H.R. 11222 in the light of recent and continuously disturbing reports on the activities within the Agricultural Stabilization and Conservation Service of the Department of Agriculture: The controversy engendered by that agency's operation policies; its "section 22" shipping actions; the "Free Enterprise Wrecked This Train" exhibit at the South Dakota State Fair last fall. The current allegations of favoritism and maladministration have seriously impaired public confidence in this important agency of Government. We do not, therefore, feel that it is at all appropriate to grant new and sweeping power and authority over wheat, feed grain, and dairy farmers to this agency until the dark clouds of doubt and distrust have been publicly and openly removed.

PRINCIPAL PROVISIONS OF H.R. 11222, AS AMENDED BY THE COMMITTEE ON AGRICULTURE

The bill contains five titles. Title I deals with land-use adjustment; title II amends Public Law 480 (83d Cong.); title III deals with marketing orders and agreements; title IV deals with commodity programs, including feed grains, wheat, and dairy products; and title V amends the Consolidated Farmers Home Administration Act of 1961. Following are the principal provisions in each title:

TITLE I—LAND-USE ADJUSTMENT

1. Amends the Soil Conservation and Domestic Allotment Act to provide permanent authority for the agricultural conservation program (ACP). Authorizes long-term agreements (up to 15 years) with farmers for changes in land use (including the development of soil, water, forest, wildlife, and recreation uses).

2. Amends the Bankhead-Jones Farm Tenant Act to authorize the Secretary of Agriculture to furnish financial or other aid and to develop and carry out land conservation and utilization programs in cooperation with State and local governmental and nongovernmental agencies.

3. Amends the Watershed Protection and Flood Prevention Act to authorize the Secretary to bear two-thirds of the cost of land, rights-of-way, and easements in the development of watersheds for public recreational purposes. Also increases authorized size of floodwater detention structures from 5,000 acre-feet to 12,500 acre-feet, includes municipal water supply storage in a structure when it is built, gives the Secretary broader discretion in setting rates of cost sharing and specifically restates the application of the act to the 11 watershed improvement programs authorized by section 13 of the act of December 22, 1944.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT (AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (83D CONG.))

1. Amends title II of Public Law 480 to permit the Secretary to purchase from private stocks commodities deemed to be in surplus for donation to needy people in foreign nations. These purchases would be financed by the Commodity Credit Corporation and such donations are now limited to items in the actual inventory of CCC.

2. Amends title IV of Public Law 480 to broaden the authority of the Secretary to dispose of surplus agricultural commodities with long-term dollar sales and authorizes long-term credit sales for the purpose of market development and sales through private trade; also permits more liberal repayment terms and provides discretionary authority to allow friendly supplying countries to participate.

3. Allows the Secretary to donate commodities to world school lunch programs only when he receives sufficient assurance that the foreign school lunch program is being conducted on an "ability to pay" basis.

TITLE III—MARKETING ORDERS

1. Amends the Agricultural Marketing Agreement Act of 1937 to exempt potatoes for dehydrating from eligibility for the issuance of marketing orders.

TITLE IV—COMMODITY PROGRAMS—FEED GRAINS, WHEAT, AND DAIRY PRODUCTS

Subtitle A—Feed grains

1. A permanent and mandatory acreage allotment and marketing quota program for feed grains would be established for every farm in the United States. Starting in 1963 feed grains could not be grown on any farm which did not have a past historical record of feed grain production (unless qualifying as a "new" farm). Special provisions

would apply to farms in feed deficit areas and to small farms, but even producers on these "exempted" farms would be subject to acreage restrictions and marketing quota penalties.

2. The Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, and barley (rye could be included at discretion of Secretary) for livestock feed, human food, seed, industrial uses, and exports, less estimated imports and, if CCC stocks are excessive, less such amount not more than 7 percent of annual disappearance as the Secretary determines to be necessary. Secretary could increase the quota to assure adequate carryover or to meet national emergency or increase in demand.

3. A national acreage allotment would be proclaimed equal to the number of acres which Secretary determines will, on the basis of expected yields, produce the national marketing quota.

4. The national acreage allotment (less small reserves to take care of "missed" farms and new farms) would be apportioned to the States, counties, and farms on the basis of the average acreage of feed grains produced during the base period as adjusted. The base period for 1963, 1964, and 1965 crops would be 1959-60; for subsequent crops it would be the two most recent calendar years for which statistics are available.

5. There would be two "exemptions":

(a) Small farm exemption: Producers on farms with feed grain bases (i.e., average acreage during base period) of 25 acres or less would have the choice of either complying with (1) the base acreage on the farm or (2) the farm acreage allotment. If the producer on such a farm elects in writing to comply with the farm acreage allotment, he could vote in the referendum and be eligible for price support and diversion payments, but he must comply with the farm acreage allotment and be subject to the cross-compliance requirements of the bill. If he did not sign in writing to comply with the farm acreage allotment, he could not vote in the referendum, he would not be eligible for price support or diversion payments, but he could plant up to his farm base and thus not comply with his allotment.

(b) Feed deficit exemption: If the Secretary determines that there is a "hardship" and that prices would "unduly increase" and "disrupt normal farming" in a "feed deficit area," he could permit feed grain farmers in such a "deficit area" to raise an acreage up to the full base for the farm. In other words such producers would not have to reduce their production below their farm base. They could not, however, increase production above the base acreage without being subject to a marketing quota penalty. Producers in a designated "feed deficit area" would *not* be eligible for price support, diversion payments, or for voting in the referendum.

6. A referendum requiring a two-thirds vote of approval by eligible voting producers would be held for a 1-, 2-, or 3-year period. The following producers would *not* be eligible to vote.

1. All producers on farms in designated feed deficit areas.

2. All producers on farms with bases of 25 acres or less who failed to state in writing prior to the referendum their intent to comply with the farm acreage allotment.

7. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of the parity price per

bushel times double the normal yield or actual yield, whichever is lower.

8. Secretary could permit wheat to be planted as a substitute for feed grains and count it against the feed grain allotment in such manner as not to "adversely affect" the program.

9. Producers would be required to divert an acreage equal to the difference between the acreage of feed grains during the base period and the farm acreage allotment for feed grains. Acreage so diverted must be in addition to the acreage normally devoted to conserving uses, summer fallow and idle land. A penalty would apply if producer uses the diverted acreage to produce crops, unless the crop is one which is designated by the Secretary as being one of seven specified crops not in surplus supply. The diverted acreage could be grazed if the producer would elect to forego the diversion payment. However, the Secretary could allow grazing between October 1 and April 1 without requiring a forfeiture of payments. Unused allotments could be released and reassigned to other farmers in the county and the State.

10. The Secretary would be authorized to make diversion payments in cash or in kind with respect to only the 1963, 1964, and 1965 crops in amounts determined by the Secretary to be fair and reasonable to producers who divert acreage from feed grains. (Not in excess of 50 percent of normal yield times county support price) in 1963, 40 percent in 1964, and 30 percent in 1965. No payments would be authorized after 1965.

11. Level of price support for corn would be between 65 and 90 percent of parity as determined by the Secretary. Other feed grains would be supported in relation to feeding value of corn, location, and buyer preference. Cross-compliance would be required if marketing quotas are in effect for free grains. Price support on feed grains would be available only to producers who stay within *all* acreage allotments on the farm and *all* acreage allotments on any other farm, and comply with the land diversion requirements.

12. If the referendum failed there would be no program. There would be no price support whatsoever if marketing quotas are voted down by producers and CCC would be authorized to sell into domestic channels up to 10 million tons of feed grains for unrestricted use at market prices.

13. Effective date of feed grain provisions: Permanent legislation for 1963 crops and thereafter.

Subtitle B—Wheat

1. A permanent and mandatory acreage allotment and marketing quota program for wheat would be established for every farm in the United States. Starting in 1963 wheat could not be grown on any farm which did not have a past historical record of wheat production (unless qualifying as a "new" farm). Exemptions in present law (15-acre marketing quota exemption and 30-acre wheat for feed exemption) would be repealed. Special provisions would apply to small farms, but small growers would be subject to acreage restrictions and marketing quota penalties.

2. The Secretary of Agriculture would set a yearly national quota for wheat which would be converted into a national acreage allotment. The 55-million-acre national minimum allotment in present law would be repealed. The national allotment (less reserves for new producers)

would then be distributed to States, counties, and farms in the continental United States (except Alaska).

3. The Secretary would establish a national marketing quota based on his estimate of the amount of wheat to be consumed as food and to be exported in the marketing year, less up to 200 million bushels to be withdrawn from CCC stocks. This national quota would be distributed to States, counties, and eligible farms. It would be expressed bushels and a producer could market for food and export only the number of bushels assigned to his farm. The balance of the wheat produced on the farm allotment would have to be sold at the feed market price.

4. In order to legally market the food and export portion of the wheat produced on the farm allotment, a wheat-marketing certificate must accompany such wheat throughout its processing or export.

5. There would be a new "small farm" exemption. Producers on farms with a wheat base (i.e., average acreage during the base period 1957-61) would have the choice of either complying with (1) the base acreage on the farm or (2) the farm acreage allotment. If the producer on such a farm elects in writing to comply with the farm acreage allotment, he could vote in the referendum, be eligible for price support, be eligible for diversion payments, and be eligible to receive the marketing certificates which permit him to market that portion of wheat production to be consumed as food or exported. He would also be subject to the cross-compliance provisions and must stay within his allotment. If a small producer did not sign in writing to comply with the farm acreage allotment, he could not vote in the referendum, he would not be eligible for price support, he would not be eligible for diversion payments, and he would not receive marketing certificates. He could plant up to the farm wheat base, but whatever wheat he sold would have to be at the feed market price.

6. A referendum would be held for a 1-, 2-, or 3-year period which requires approval of two-thirds of those eligible farmers voting. Choice in referendum would be between proposed program or no program and no price support with authority for the Secretary to make annual domestic sales of not to exceed 200 million bushels of Government-held surplus wheat. All producers on farms with bases of 15 acres or less who failed to state in writing prior to the referendum their intent to comply with the farm acreage allotment would *not* be eligible to vote in the referendum.

7. The Secretary would require mandatory land diversion of that portion of farm wheat base (or allotment) reduced below 55-million-acre national allotment. Diverted wheat acreage would be grazed from October 1 to April 1 without loss of diversion payment and from April 1 to October 1 if the producer elected to forgo payment. Diversion payments in cash or in kind would be authorized only for 1963, 1964, and 1965 at "fair and reasonable" rates (not more than 50 percent of normal yield times the higher of the national average support rate or the county support price in 1963; not more than 40 percent in 1964; not more than 30 percent in 1965 and nothing in 1966 and thereafter) for wheat retired up to 20 percent of allotment or 15 acres, whichever is greater.

8. The Secretary would make price supports available on the combined domestic and export certificate portions of wheat crop at levels from 75 percent to 90 percent of parity. Noncertificate wheat would

be supported at level set in relation to world wheat prices, feed grain price support and relative feeding value. Certificates would be issued by CCC to each farm for its share of domestic food and export market. Balance of wheat would move in noncertificate market channels, or into noncertificate loans. Each certificate would have a value equal to difference between price support on noncertificate wheat and the price support on certificate wheat. Wheat processors and exporters would be required to purchase certificates to accompany domestic and exported wheat from either CCC or from producers.

9. The Secretary could allow the interchange of wheat and feed grains on wheat allotment in such manner as to "not adversely affect" the program. The 30-acre wheat-for-feed exemption in present law would be repealed, but would count as feed grain history.

10. Penalties would be assessed against noncooperating producers by (a) denying diversion payments, (b) denying price supports, and (c) collecting civil penalty based on double the normal yield or actual yield, whichever is the lower, times 65 percent of parity, and (d) forfeiture of marketing certificate. Persons other than wheat farmers violating provisions dealing with certificates may be prosecuted for a misdemeanor carrying a penalty of \$5,000 for each violation. Any person (including wheat farmers) who falsely makes, issues, alters, or counterfeits a wheat certificate would upon conviction be guilty of a felony carrying a penalty up to 10 years in prison and/or a \$10,000 fine.

11. The bill repeals the provision in present law which allows wheat produced in excess of the farm wheat allotment to be stored on the farm under bond and be applied to a subsequent year's short crop or crop failure.

12. Effective date of wheat provisions: Permanent legislation for 1963 crops and thereafter.

Subtitle C—Dairy

1. Price supports would be unchanged and would continue under present law at 75 to 90 percent of parity. Present level is 75 percent of parity.

2. Payments up to \$2.50 per hundredweight would be made to milk producers who agree voluntarily to reduce marketings of milk by a minimum of 10 percent to a maximum of 25 percent or 30,000 pounds per year, whichever is greater, below their normal marketing level based on marketings of milk in 1961. There would be no penalty assessed against noncompliers and all producers, both compliers and noncompliers would be eligible for price support.

3. The complier's normal marketing level would be subdivided into quarterly marketing periods, with payments made at the end of each period.

4. The complier's production and marketing history would be preserved at the full 1961 normal marketing level for the purpose of any farm program, and could be transferred voluntarily to another producer.

5. Agreements to reduce production within each of 15 dairy marketing districts would be limited to 10 percent of the total marketings of milk in each such district in 1961.

6. Producers marketing milk under Federal milk marketing orders could choose to adopt this program as a part of the order in effect locally. They would be permitted, however, to credit all of their

reduction in marketings against surplus class milk, and thereby retain their full share of the class I value of the pool as if their total deliveries had not been reduced.

7. Date of expiration of the program would be March 31, 1963.

TITLE V—GENERAL PROVISIONS

1. Amends the Consolidated Farmers Home Administration Act to allow loans to farmowners and tenants for recreational purposes and loans to associations for sewers and recreational facilities. Also increases the agricultural credit insurance fund from \$10 million to \$25 million.

ANALYSIS OF BILL

TITLE I—LAND-USE ADJUSTMENT

While the Secretary's authority to purchase and condemn farmland has been deleted from the bill, broad authority still remains for the development of new land-use programs. The Secretary and other Department officials have continually spoken of an intensified recreation effort. Specific recreation and land-use programs have already been planned and announced. These include grassland demonstration, family forest demonstration, watersheds, town and country recreation, farmer-sportsmen, and urban renewal. In his speech at the Mayflower Hotel before the National Federation of Grain Cooperatives on April 3, 1962, Secretary Freeman stated as follows:

Four metropolitan areas would be selected where a unit of government—such as a suburb—would be willing to cooperate with an association of farmers—such as a soil and water conservation district—in an outdoor recreation program. The citizens from the urban area would help develop recreational facilities, such as camping and picnicking facilities, riding and hiking trails, and other projects to improve and protect the scenic attractions of rural areas.

While the full impact of this new Government-sponsored recreation activity upon the privately owned and operated recreation industry is still unknown, the civil rights of the persons using these new facilities should certainly be clarified in order to insure that Federal funds not be expended for the establishment of racially segregated facilities.

TITLE II—PUBLIC LAW 480

The most glaring inconsistency in H.R. 11222 exists in the proposal to allow the Secretary of Agriculture to purchase those farm commodities he deems to be in surplus directly from private stocks and then donate these commodities to needy people overseas. While producers of wheat and feed grains are forced to take sharp cuts and strict controls on production, the producers of noncontrolled crops could find their surplus production purchased and donated overseas by the Government. Thus, the advocates of "supply management" are hereby endorsing the concept of unlimited production with a price-support removal operation.

TITLE III—MARKETING ORDERS

The amendment to exclude potatoes for dehydrating from the coverage of marketing orders is obviously processor oriented. We regret that this proposal was never brought up or discussed in the open hearings on the bill, and that potato farmers were never given an opportunity to present their views on it.

TITLE IV—COMMODITY PROGRAMS

Subtitle (A)—Feed grains

1. *Allotments and quotas previously repealed.*—In 1954 Congress repealed marketing quotas on corn. In 1958 Congress repealed acreage allotments on corn. H.R. 11222 would reimpose both acreage allotments and marketing quotas on corn, oats, rye, barley, and grain sorghum. Quotas and allotments were repealed by both Republican-controlled and Democratic-controlled Congresses for a good reason. They were simply unworkable. Marketing quotas can be made to appear to work on a crop like cotton or tobacco because virtually all of the production of these commodities goes into the market for sale to merchants and processors. This is not true of feed grains. Some 80 to 85 percent of all feed grains never leave the farm. They are fed to livestock. Thus the marketing quota is relatively meaningless. In spite of this long-recognized distinction H.R. 11222 would establish a farm marketing quota for every eligible feed grain farm in America. A violation of this quota would result in a civil penalty based on double the normal production of the farm (or the actual production) times 65 percent of the parity price.

2. *Impact on farm income.*—There can be no doubt that feed grain farmers' income would drop under this bill. It offers no increase in price support. Diversion payments would be reduced from 50 percent in 1963 to 40 percent in 1964 to 30 percent in 1965 to zero in 1966 and thereafter when farmers would be "donating" their valuable farmland to the Government.

Of course farm income would be devastated if farmers failed to vote "right" in the loaded referendum. In response to a specific question on the economic effect of the disapproval of marketing quotas, the Secretary at page 159, serial EE of the printed hearings said:

With no price supports in effect, utilization of this level of current production plus the specified quantities from CCC stocks would mean prices well below those of recent years, probably in the general area of 70 to 75 cents per bushel for corn. Prices received for wheat would be in about a feed value relationship to corn, that is 5 to 10 cents per bushel higher.

3. *No real choice in referendum.*—Those feed grain farmers who were fortunate enough to be allowed to vote in referendum would truly be faced with a "Hobson's choice." Either they must accept the punitive and restrictive program asked by the administration or take nothing plus the threat of the Government dumping the equivalent of one-third billion bushels on the market. This "blackjack" provision makes a complete mockery of the referendum process. No other producers now under marketing quotas are subjected to such duress. If wheat, rice, peanut, or cotton farmers should vote down quotas,

price support at 50 percent of parity would be available to cooperators (those farmers voluntarily staying within their allotments) and the surplus could not be sold in the domestic market for less than 5 percent above this support price plus reasonable carrying charges. If tobacco quotas are disapproved there would be no price-support program, but there is a very small surplus of tobacco in Government hands; thus there is no threat of dumping tobacco.

4. *Many farmers ineligible to vote.*—While certain feed grain farmers (generally the larger growers in the Corn-Sorghum Belt) would be faced with the impossible choice offered by the referendum, many thousands of other feed grain farmers (generally the smaller growers and those farmers in the deficit areas) would not even vote.

Feed grain farmers in feed deficit areas are specifically denied the right to vote in the referendum by the last clause of the committee amendment which states:

* * * and (iv) the producers on such farms shall not be eligible to vote in any referendum on marketing quotas for such crop.

The total number of these farmers is unknown to us because we do not know what criteria the Secretary might use in establishing feed-deficit areas. If he uses the normal definition of a State which consumes more feed grains than they produce, this would exclude all the feed grain farmers in some 35 to 40 States from voting.

The voting eligibility of small feed grain farmers is set forth in sections 360(g) and 360(f) of H.R. 11222 which provide in part as follows:

Section 360(g) “* * * Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section *except a producer who has a farm feed grain base of 25 acres or less and who does not elect, pursuant to section 360(f), to be subject to the farm acreage allotment.*” [Emphasis added.]

Section 360(f) “* * * Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of 25 acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, *unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment.*” [Emphasis added.]

Thus it can be seen that this complicated burden falls on the back of the small farmer. If he wants to vote he must sign in writing his promise to comply with the farm acreage allotment. If he fails to commit himself ahead of time, he cannot vote. Yet in either instance he is subject to severe marketing quota penalties for overplanting. Larger growers on the other hand need not go through this procedure. They are automatically eligible to vote. This discrimination against small growers is another intolerable gimmick in the effort to “rig” the outcome of the referendum and is incompatible with the referendums on all other commodity programs (except wheat) which give one producer one vote, regardless of the size of his farm or his allotment.

What this means in numbers of farmers is again problematical. At page 162 of the printed hearings, serial EE, the Secretary responded for the record in reply to a request for statistical material as follows:

The Department of Agriculture does not have information on the number of feed grain farms by size of acreage planted.

Suffice it to say, there are many thousands of these small growers who will find very little democracy in the democratic choice offered by H.R. 11222.

5. *Unfair to corn-sorghum belt.*—While grain farmers in the “non-deficit” States (or areas) would be cutting back production, the Secretary under the last-minute politically motivated committee amendment could excuse feed grain farmers in deficit areas from cutting their production. Suppose there were two dairy farmers, one in Indiana and one in Kentucky. If the Secretary declared Kentucky a “feed deficit” area the dairy farmer in Indiana who may need all the corn he is raising for his dairy herd would have to cut back on feed grain production, while his Kentucky neighbor would not. This provision simply represents regional favoritism and political maneuvering at the expense of one part of the country. It is based on neither equity or economics.

6. *Unfair to feed deficit areas.*—Whatever initial joy that producers in feed deficit areas might experience by virtue of the special provision will soon evaporate when it is discovered that this exemption is really a two-edged sword. The exemption is conditioned on the Secretary’s definition of “hardship,” “unduly increase prices,” “disrupt normal farming practices,” and finally “feed deficit areas.” Since there was no discussion of this provision in open hearings or with the departmental witnesses these terms are at best nebulous and are subject to just about whatever interpretation the Secretary cares to make. The arbitrary decision of the Secretary this year in regard to “section 22” rates for grain shipped to the Southeast clearly illustrates the lack of sufficient guidelines in this area.

Assuming the designation as a feed deficit area, farmers in such an area would not be able to expand their production beyond their historical production during the base period. This would, of course, freeze current production patterns and prevent the growth of an expanded livestock economy in many parts of the Nation. Except for a very small reserve, new growers would also be precluded from becoming feed grain farmers, and finally feed-deficit-area growers would be subject to marketing quota penalties while not being eligible to vote in the referendum or be eligible for price support or diversion payments.

Subtitle B—Wheat

1. *Impact on income.*—The wheat farmer can look for a reduction of income under H.R. 11222. Commonsense dictates that a wheat farmer under the present program receiving a diversion payment of from 45 to 60 percent plus a price support of \$2 per bushel on all the wheat he can grow on his allotment will have more income than he would under the proposed program where his diversion payment would slide down from 50 percent in 1963, 40 percent in 1964, 30 percent in 1965 and zero in 1966 and thereafter, while at the same time receiving a price support from \$1.95 to \$2.05 per bushel on approximately 85 percent of the production on his allotment and a

price support of \$1.40 per bushel on the remaining 15 percent of his production. In addition the bill repeals the long-standing provision in present law which allows wheat farmers in high-risk areas some measure of protection against the elements by allowing excess wheat stored under bond from a previous year to be applied to a subsequent year's crop. To other producers on the approximately 10,000 farms which are currently taking advantage of this provision, H.R. 11222 could easily spell economic disaster.

2. *Unsound legislation.*—We recognize that the wheat provisions of H.R. 11222 are not the programs for “domestic parity” or “wheat stabilization” long advocated by several farm and commodity organizations. During the course of hearings this fact became apparent to a number of individual members and local units of these organizations as witnessed by a growing number of withdrawals of endorsement. The program proposed in H.R. 11222 would unquestionably be one of the most complex ever instituted. Each step of wheat production processing and export would be tightly policed. Farmers, processors, taxpayers, and consumers would all be required to bear the burden of this program. Feed grain farmers would suffer because of the Government policy of artificially encouraging wheat for feed. Our exports would suffer because of international repercussions to an artificial multiple-price plan for our domestic market. Taxpayers would pick up the bill for heavier export subsidies while consumers would suffer from inefficient production patterns and advancing costs. Wheat farmers producing those classes of wheat not in serious surplus supply would suffer from further cuts in acreage.

3. *Unfair to small growers.*—This bill is probably the most harsh and vindictive measure ever aimed at the small wheat farmer. He is flagrantly discriminated against in voting and in marketing.

Voting eligibility for small growers is set forth in sections 335 and 336 which read in part as follows:

SEC. 336. * * * Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, *except a producer who has a small farm base acreage for such crop of wheat and who does not elect, pursuant to section 335, to be subject to the farm marketing quota.* [Emphasis added.]

SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a base of fifteen acres or less (hereinafter called small-farm base acreage) if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, *unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quotas * * *.* [Emphasis added.]

As in the case of the small feed grain farmer, the small wheatgrower must bear the complicated burden of signing in writing his promise to comply with the farm acreage allotment. If he fails to commit himself he cannot vote. If he doesn't vote he is still subject to the marketing quota penalty based on production in excess of his farm allotment. Again, larger growers are not burdened by this discrimi-

natory provision. They are automatically eligible to vote. This again prevents the majority of farmers who raise wheat from voting in the referendum.

Perhaps the most unfair provision of all is the denial of marketing certificates to these small farmers electing to use the small farm exemption provided for under the bill. This means that small growers could not even plant up to the farm wheat base without losing the right to receive certificates (and hence the right to sell wheat for food and for export). As seen by table 1, small farms (15 acres or under) represented approximately 73 percent of the total 1,825,222 farms producing wheat in the United States in 1960.

TABLE No. 1.—Wheat—Frequency distribution of all farms by size of acreage planted, 1960

State	Size of acreage planted											
	Zero 1	0.1-5.0	5.1-10.0	10.1-12.0	12.1-15.0	15.1-20.0	20.1-25.0	25.1-30.0	30.1-40.0	40.1-50.0	50.1-75.0	75.1-100.0
New York.....	19,218	3,001	5,057	2,223	4,086	1,322	840	541	581	275	228	69
New Jersey.....	2,217	301	755	382	658	116	116	109	98	62	98	28
Pennsylvania.....	34,922	13,892	17,911	6,736	8,947	2,530	1,172	583	417	169	126	23
North Atlantic.....	56,357	17,194	23,723	9,341	13,691	4,013	2,128	1,233	1,096	506	416	120
Ohio.....	50,627	9,427	24,713	14,078	30,632	9,126	4,982	2,958	2,923	1,193	1,027	292
Indiana.....	37,915	4,021	17,262	10,928	33,097	6,620	3,820	2,362	2,341	1,024	815	208
Illinois.....	40,249	3,547	12,461	9,253	44,350	8,141	5,408	3,574	3,866	1,770	1,649	418
Michigan.....	34,699	7,214	20,796	10,486	30,260	5,361	2,822	1,629	1,492	606	462	91
Wisconsin.....	8,990	1,538	1,383	576	1,102	64	43	20	19	12	13	3
Minnesota.....	13,625	1,943	6,175	6,125	20,489	1,674	1,211	1,018	1,301	856	1,236	6*6
Iowa.....	7,512	414	1,265	6,859	2,840	380	273	210	269	166	176	74
Missouri.....	65,287	3,332	11,770	9,850	40,722	5,384	3,642	2,535	2,700	1,382	1,418	443
North Dakota.....	9,962	105	484	525	2,371	1,747	2,216	2,658	5,574	5,300	11,047	8,954
South Dakota.....	9,539	150	884	1,132	6,910	1,763	1,632	1,649	3,005	2,400	4,230	2,877
Nebraska.....	11,528	861	3,666	3,639	14,622	6,136	5,524	4,890	7,258	5,195	7,219	3,016
Kansas.....	16,734	2,421	5,423	4,212	21,788	6,441	5,685	5,324	9,362	8,726	15,688	10,716
North Central.....	306,647	34,973	106,282	71,643	249,183	52,837	37,318	28,827	40,110	28,630	44,980	28,178
Delaware.....	887	67	179	109	241	112	95	88	112	58	54	11
Maryland.....	5,481	1,254	2,349	1,124	1,920	849	596	392	461	213	206	54
Virginia.....	22,115	9,758	8,544	2,817	3,476	813	449	292	235	99	114	28
West Virginia.....	3,885	1,317	749	159	144	74	57	42	39	20	8	3
North Carolina.....	35,271	18,713	13,740	3,812	5,829	660	337	201	166	86	55	11
South Carolina.....	21,922	6,186	3,619	1,372	3,080	210	130	106	89	33	57	24
Georgia.....	14,763	2,466	1,911	634	1,873	168	118	109	92	63	66	19
South Atlantic.....	104,324	39,761	31,091	10,027	16,563	2,886	1,782	1,187	1,194	572	560	150
Kentucky.....	16,960	2,152	2,441	1,233	3,052	708	496	364	387	152	169	44
Tennessee.....	23,268	3,120	3,651	1,383	2,781	518	298	208	186	81	55	30
Alabama.....	4,433	257	507	352	1,013	119	115	74	67	39	51	28
Mississippi.....	1,392	146	209	116	341	77	44	52	64	46	77	28
Arkansas.....	10,851	534	1,403	1,160	4,959	74	82	74	87	48	74	27
Oklahoma.....	17,386	1,230	2,594	1,895	12,480	2,426	2,504	2,249	4,579	4,800	10,755	8,077
Texas.....	14,828	1,071	2,817	2,916	15,736	2,984	2,150	1,854	2,457	2,327	3,952	2,654
South central.....	89,058	8,510	13,622	9,055	40,342	6,906	5,689	4,875	8,217	7,493	15,133	10,888

Montana-----	4, 441	830	687	412	1, 409	601	573	538	884	864	1, 685	1, 523
Idaho-----	7, 415	1, 638	4, 173	2, 450	5, 669	1, 380	975	724	942	730	1, 141	748
Wyoming-----	1, 347	147	223	99	192	129	108	86	170	162	263	224
Colorado-----	5, 960	509	1, 063	574	1, 602	513	461	420	728	788	1, 570	1, 206
New Mexico-----	2, 706	466	303	102	267	45	50	51	68	69	161	143
Arizona-----	989	53	53	40	151	55	28	40	53	34	43	22
Utah-----	5, 626	1, 971	1, 746	776	720	254	208	164	189	147	195	107
Washington-----	5, 594	511	992	708	2, 352	388	370	329	428	353	587	586
Oregon-----	6, 815	917	1, 918	1, 012	2, 205	533	455	302	471	269	471	277
California-----	3, 238	88	222	131	737	133	118	131	235	165	255	158
West-----	44, 131	6, 610	11, 380	6, 304	15, 304	4, 031	3, 346	2, 785	4, 125	3, 581	6, 371	5, 004
United States-----	600, 517	107, 048	186, 098	106, 370	335, 083	70, 673	50, 263	38, 907	54, 742	40, 782	67, 460	44, 340

¹ Data includes 40,279 farms having wheat history with zero allotments. Of the remaining 560,238 farms having allotments but not planting wheat, some placed all of their allotment in the conservation reserve.

TABLE No. 1.—*Wheat—Frequency distribution of all farms by size of acreage planted, 1960—Continued*

State	Size of acreage planted—Continued							Total number of farms	Percent of farms planting				
	100.1-200.0	200.1-300.0	300.1-400.0	400.1-500.0	500.1-1,000.0	1,000.1 and more			Zero acres	0.1-10.0 acres	10.1-12.0 acres	12.1-15.0 acres	15.1 acres and over
New York.....	40	3	1					37,485	51.3	21.5	5.9	10.9	10.4
New Jersey.....	18	2						4,969	44.6	21.3	7.7	13.2	12.2
Pennsylvania.....	18	3		1		1		87,451	39.9	36.4	7.7	10.2	5.8
North Atlantic.....	76	8	1	1				129,905	43.4	31.5	7.2	10.5	7.4
Ohio.....	151	16		3				152,150	33.3	22.4	9.3	20.1	14.9
Indiana.....	128	11	2	1		2		120,555	31.4	17.7	9.1	27.4	14.4
Illinois.....	287	23	10	3				135,070	29.8	11.8	6.9	32.8	18.7
Michigan.....	61	3						115,982	29.9	24.2	9.0	26.1	10.8
Wisconsin.....	3							13,766	65.3	21.2	4.2	8.0	1.3
Minnesota.....	839	190	61	15		4		57,463	23.7	14.1	10.7	35.7	15.8
Iowa.....	72	6						14,496	51.8	11.6	5.8	19.6	11.2
Missouri.....	349	44	16	4				148,860	43.9	10.1	6.6	27.4	12.0
North Dakota.....	16,834	4,351	1,253	479		30		74,276	13.4	0.8	0.7	3.2	81.9
South Dakota.....	4,329	1,293	464	247		35		42,588	22.4	2.4	2.7	16.2	56.3
Nebraska.....	4,713	1,097	370	125		20		80,624	14.3	5.6	4.5	18.2	57.4
Kansas.....	18,894	6,637	2,654	1,206		223		143,498	11.7	5.5	2.9	15.2	64.7
North Central.....	46,660	13,671	4,830	2,083		312		1,099,328	27.9	12.8	6.5	22.7	30.1
Delaware.....	9							2,022	43.8	12.2	5.4	11.9	26.7
Maryland.....	31		2					14,933	36.7	24.1	7.5	12.9	18.8
Virginia.....	17	3						48,717	45.4	37.6	5.8	7.1	4.1
West Virginia.....								6,497	59.8	31.8	2.5	2.2	3.7
North Carolina.....	12							78,893	44.7	41.1	4.8	7.4	2.0
South Carolina.....	16	2						36,846	59.5	26.6	3.7	8.4	1.8
Georgia.....	27	3	2	1				22,315	66.2	19.6	2.8	8.4	3.0
South Atlantic.....	112	9	4	1				210,223	49.6	33.7	4.8	7.9	4.0
Kentucky.....	32	3						28,175	60.2	16.3	4.4	10.7	8.4
Tennessee.....	17	2	2	1				35,599	65.4	19.0	3.9	7.8	3.9
Alabama.....	19	3						7,079	62.6	10.8	5.0	14.3	7.3
Mississippi.....	40	11	1	1		1		2,651	52.5	13.4	4.4	12.9	16.8
Arkansas.....	46	15	4	3				19,432	55.8	10.0	6.0	25.5	2.7
Oklahoma.....	9,306	2,319	817	324		36		84,019	20.6	4.6	2.3	14.8	57.7
Texas.....	4,984	2,080	1,230	587		209		65,933	22.5	5.9	4.4	23.9	43.3
South Central.....	14,444	4,433	2,058	917		247		242,888	36.7	9.1	3.7	16.6	33.9

Montana.....	4, 177	2, 649	1, 661	1, 007	1, 297	244	24, 982	17.8	4.1	1.6	5.6	70.9
Idaho.....	1, 311	514	294	138	200	37	30, 479	24.3	10.1	8.0	18.6	30.0
Wyoming.....	1, 415	164	73	40	51	7	3, 900	34.6	9.5	2.5	4.9	48.5
Colorado.....	3, 030	1, 606	856	480	781	186	22, 333	26.7	7.0	2.6	7.2	56.5
New Mexico.....	318	170	98	47	84	26	5, 174	52.3	14.9	2.0	5.1	25.7
Arizona.....	31	4	3	-----	1	-----	1, 580	62.6	5.4	2.5	9.6	19.9
Utah.....	197	90	42	25	56	12	12, 525	44.9	29.7	6.2	5.7	13.5
Washington.....	1, 724	1, 247	746	429	681	179	18, 214	30.7	8.3	3.9	12.9	44.2
Oregon.....	688	381	240	137	258	72	17, 378	39.2	16.3	5.8	12.7	26.0
California.....	328	130	60	50	86	48	6, 313	51.3	4.9	2.1	11.7	30.0
Western.....	12, 219	6, 955	4, 073	2, 353	3, 495	811	142, 878	30.9	12.6	4.4	10.7	41.4
United States.....	73, 511	25, 076	10, 966	5, 355	6, 661	1, 370	1, 825, 222	32.9	16.1	5.8	18.4	26.8

The effect of H.R. 11222 on the income of these small growers would also be devastating . . . at least \$107 million less than in 1962. Under present law wheat growers with allotments of 15 acres or less may grow the lower of 13½ acres, or the highest planted acreage in 1959, 1960, or 1961. These small producers sell their wheat in the open market and receive a price fairly close to the price support. For 1962 this is about \$2 per bushel.

This affects over 600,000 wheat producers—about half the wheat growers in any year. Under H.R. 11222 the 13½ acre exemption would end. The small farm base acreage would be the 1957–61 average wheat acreage. However, any farmer who plants above his allotment would not be eligible for price support and would not receive a marketing certificate. This means that these small producers would receive fairly close to \$1.40 per bushel or about 60 cents less than for 1962.

Based on the proportion of production in 1960 grown by small producers, the cost to them of the Administration proposed program by States is conservatively estimated in table No. 2.

TABLE No. 2

State	Number of farms using 15-acre provision in 1960	Estimated percent of crop on these farms	Estimated cost to small wheat growers of Administration program
			<i>Thousands of dollars</i>
New York.....	10,894	44	1,843
New Jersey.....	1,681	40	321
Pennsylvania.....	34,431	56	4,772
Ohio.....	62,562	47	12,685
Indiana.....	56,856	54	11,826
Illinois.....	61,900	48	11,853
Michigan.....	58,383	60	10,900
Wisconsin.....	3,736	66	593
Minnesota.....	32,519	41	5,748
Iowa.....	4,759	47	741
Missouri.....	58,412	55	11,181
North Dakota.....	2,215	4	2,754
South Dakota.....	7,908	4	996
Nebraska.....	17,470	7	3,239
Kansas.....	28,483	3	4,768
Delaware.....	400	16	67
Maryland.....	4,666	31	723
Virginia.....	19,055	57	2,048
West Virginia.....	1,276	30	117
North Carolina.....	34,354	76	3,153
South Carolina.....	12,169	77	1,204
Georgia.....	5,833	60	652
Kentucky.....	6,477	43	1,111
Tennessee.....	8,277	57	1,012
Alabama.....	1,959	46	298
Mississippi.....	719	21	127
Arkansas.....	7,845	71	1,631
Oklahoma.....	16,821	4	2,619
Texas.....	21,533	7	2,979
Montana.....	2,044	1	427
Idaho.....	10,751	10	2,021
Wyoming.....	355	1	29
Colorado.....	2,918	1	359
New Mexico.....	944	3	76
Arizona.....	198	13	55
Utah.....	3,502	13	377
Washington.....	4,034	2	703
Oregon.....	4,929	6	862
California.....	1,003	3	130
Total, United States.....	614,271	17	107,000

4. *Base period changed.*—H.R. 11222 changes the base period for calculating the National and State acreage allotments from a 10-year period to a 5-year period. As can be seen in table No. 3, most of the major wheat-producing States lose acreage by this change while minor wheat-producing States gain acreage. Thus, H.R. 11222 would result in a double cut to most commercial growers—a loss in State acreage and a 20 percent farm allotment cut.

TABLE 3.—*Shift in State wheat allotments under H.R. 11222*

State	Indicated allotment based on adjusted 5-year average	Official 1962 allotment based on 10-year average	Percent indi- cated allot- ment is of official allotment
Alaska.....	60	40	150.0
Maine.....	605	1,082	55.9
New Hampshire.....	30	54	55.6
Vermont.....	616	562	109.6
Massachusetts.....	504	614	82.1
Rhode Island.....	234	408	57.4
Connecticut.....	354	496	71.4
New York.....	329,555	318,471	103.5
New Jersey.....	50,925	50,376	101.1
Pennsylvania.....	553,673	540,979	102.3
Ohio.....	1,539,577	1,501,745	102.5
Indiana.....	1,193,496	1,108,120	107.7
Illinois.....	1,569,645	1,438,974	109.0
Michigan.....	1,040,504	954,474	109.0
Wisconsin.....	45,615	39,003	117.0
Minnesota.....	821,339	724,762	113.3
Iowa.....	137,980	123,266	111.9
Missouri.....	1,499,324	1,355,610	110.6
North Dakota.....	7,327,705	7,445,333	98.4
South Dakota.....	2,718,634	2,747,525	98.9
Nebraska.....	3,099,546	3,160,333	98.1
Kansas.....	10,548,336	10,686,946	98.7
Delaware.....	29,443	30,735	95.8
Maryland.....	170,397	171,158	99.6
Virginia.....	264,556	245,462	107.8
West Virginia.....	30,699	33,846	90.7
North Carolina.....	339,698	288,536	117.7
South Carolina.....	169,123	141,904	119.2
Georgia.....	120,430	110,448	109.0
Florida.....	7,087	4,896	144.8
Kentucky.....	216,378	207,788	104.1
Tennessee.....	191,391	183,761	104.2
Alabama.....	62,987	49,688	126.8
Mississippi.....	66,008	49,618	133.0
Arkansas.....	103,198	67,424	153.1
Louisiana.....	33,815	21,663	156.1
Oklahoma.....	4,849,315	4,885,906	99.3
Texas.....	3,965,942	4,012,633	98.8
Montana.....	3,857,720	4,033,938	95.6
Idaho.....	1,181,792	1,186,015	99.6
Wyoming.....	275,687	287,642	95.8
Colorado.....	2,500,060	2,644,541	94.5
New Mexico.....	451,768	470,175	96.1
Arizona.....	56,462	39,415	143.2
Utah.....	293,728	304,176	96.6
Nevada.....	12,484	12,488	100.0
Washington.....	1,991,073	2,027,326	98.2
Oregon.....	851,581	848,820	100.3
California.....	413,921	424,405	97.5
United States.....	54,985,000	54,983,580	-----
Unapportioned national resources.....	15,000	16,420	-----
Total.....	55,000,000	55,000,000	-----

Subtitle C—Dairy products

The dairy provisions of H.R. 11222 are the ineffective remnants of the original dairy control plan. While the bill now calls only for payments, the administrative machinery and the program data for the control program would be established for subsequent controls. Each dairy farmer would be interrogated to find his 1961 production which would become his base in future years. The same line of argument that the feed grain program in 1961 and 1962 would "save" millions of dollars is now being proposed to dairy farmers in this bill.

If the Government makes these "Brannan plan" compensatory payments to dairy farmers for not producing milk, the advocates of H.R. 11222 say, it will "save" millions of dollars because the Government won't be purchasing the dairy products which farmers were paid not to produce. The fallacy of such "savings" is obvious. At best it would be a theoretical expenditure of less money than under the present program.

The real foolishness of the proposed dairy plan lies in its complete and obvious ineffectiveness. While it has been described as a "feed grain program for dairy farmers," there are three very important distinctions between the programs.

1. The present feed grain program retires an agriculture resource (land) for a period of time. The proposed dairy payments would not insure the retirement of dairy cows which might be sold to other non-complying farmers who would keep them in production.

2. The present feed grain program is funded substantially by payments-in-kind out of the surplus stocks of CCC. The dairy program in H.R. 11222 doesn't propose payments in dried milk, butter, and cheese. On the contrary, it proposes cash payments direct from the funds of CCC without prior appropriation by Congress.

3. Under the present feed grain program, price supports are available only to farmers who participate. Noncompliers aren't eligible for price support. Under the proposed dairy plan, price support would be available to all producers, compliers and noncompliers. This sets the stage for a sharp increase in production by noncomplying dairy farmers, the net result of which would be large sums of money expended by the Government with very little result.

It is also appropriate to point out that the current dairy surplus situation has been a child of this administration.

The record shows that 2 years ago, on March 31, 1960, the Commodity Credit Corporation had 72.3 million pounds of butter, 264.6 million pounds of nonfat dry milk, and no cheese in its inventory. As of March 31, 1962, CCC had 271 million pounds of butter, 425 million pounds of nonfat dry milk, and 67 million pounds of cheese.

TITLE V—FARMERS HOME ADMINISTRATION

The addition of recreation loans to the Farmers Home Administration program appears to be particularly unwise at this time. The many requests for FHA loan funds already create an overburdening demand. We also have some serious reservations about the nature of the recreation activities to be sponsored by FHA loans and again express our concern over the availability of these facilities to all citizens.

We also object to the inclusion of sewer loans to municipalities because such a program would be a complete duplication of the legislative authority contained in several other statutes.

CHARLES B. HOEVEN.
PAUL B. DAGUE.
PAGE BELCHER.
CLIFFORD G. MCINTIRE.
CHARLES M. TEAGUE.
ALBERT H. QUIE.
DON L. SHORT.
CATHERINE MAY.
DELBERT L. LATTA.
RALPH HARVEY.
PAUL FINDLEY.
BOB DOLE.
RALPH F. BEERMANN.
BEN REIFEL.

ADDITIONAL OPPOSING VIEW OF HON. PAUL FINDLEY

H.R. 11222 contains many far-reaching proposals, but none more vital to the future well-being of American farmers than the feed grains section.

This section proposes compulsory control of feed grains production, and it is the paramount issue in the entire bill. In my view, no Congressman representing a Corn Belt district can conscientiously do otherwise than oppose this bill, so long as the feed grains section remains in it.

Up to now, the Corn Belt has escaped so-called supply management, a euphemism for Government control. If this bill passes, supply management for feed grains becomes almost a certainty, because the referendum provided in the section is loaded in such a way to assure an affirmative vote.

Let no one be deluded by the suggestion that we "try" supply management in feed grains for a while to see how it works.

Once launched, supply management programs go on forever. There is no place on the road to regimentation wide enough to turn around. Farm legislative history is replete with examples to support this statement. Examples are supply management programs in sugar, wheat, cotton, rice, tobacco, peanuts, control programs which have been going on for years. Once begun, Government controls quickly become so deeply entwined in the production and marketing of a commodity there seems to be no way out.

If we are to save freedom of planting in the Corn Belt, the feed grains section of this bill must be defeated.

SEPARATE ADDITIONAL VIEWS OF CONGRESSMAN BOB
DOLE ON H.R. 11222, FORMERLY H.R. 10010

Because agriculture touches so intimately upon the lives of all of the people of western Kansas, there is understandably broad interest in the farm programs which are currently being developed in Washington and in the economic outlook for agriculture in the 1960's.

It seems to me that farmers of Kansas and the Nation will prosper in the years ahead if two basic conditions are met:

- (1) If the disturbing increases in farm operating costs are halted.
- (2) If harsh, stifling production controls are not extended to an ever-widening range of commodities, which could eventually include livestock.

These are the two principal threats not only to the future income of small- and middle-sized farm operators but even to their chances of remaining in agriculture in the 1960's. Both are very real threats today.

Some 840,000 people left the farms of America last year (1961), many of them victims of the cost-price squeeze. While the population trend from the farms to the cities may be expected to continue in the years ahead, it would be greatly accelerated if massive Federal crop and land retirement programs are undertaken. The impact upon rural communities would be staggering if some of the land retirement programs which have been proposed before the House Agriculture Committee this year are placed in operation.

The owner or the tenant of a family farm can remain in business only under conditions which permit him to achieve at least a reasonably satisfactory standard of living. He can remain in business only if he is given at least a reasonable opportunity to use his productive capacity. Overly harsh controls will bankrupt him just as certainly as will ruinous prices.

The reasons for many of the income problems facing farmers today can be found in a few simple statistics. For example, while cash receipts from farm marketings increased from \$34 billion in 1960 to \$34.7 billion in 1961, farm production expense rose from \$26.4 billion in 1960 to \$26.9 billion in 1961. In other words, most of the increased income was wiped out by higher costs.

More alarming is the fact that production costs have continued to move higher in recent months. They reached an alltime record peak in January 1962, and then set another new high in February. The inflationary forces at work in the national economy today—heavier Government spending, growing deficit financing, and mounting labor costs—will almost certainly combine to push farmers' costs to new peaks in 1962. There is nothing in the Nation's present economic and fiscal policies to suggest that even further advances in the cost of farming are not in store for at least several more years. The evidence clearly points toward such increases.

Thus, it seems to me, that the Government could do more to improve farm income by adopting policies which would curb increased agricul-

tural production costs than it can hope to accomplish through controls over farm production. The parity ratio—the Department of Agriculture calculation which measures prices received by farmers against those they pay—averaged only 79 during 1961, the lowest in more than 20 years.

It is unlikely that the parity ratio will show any significant rise in 1962 and it could drift even lower.

This imbalance between what the farmer pays and what he receives is one of two major threats to the future of the Nation's family farms.

Now what of the other great threat—the threat of more and more controls over the production of an expanding list of farm commodities?

Before the House is administration-supported legislation which will provide new controls over farm production, if passed:

(1) An additional mandatory cut of 10 percent in wheat acreage for 1963 and subsequent years, over and above the 10-percent cut producers are taking this year.

(2) Mandatory production controls for the first time over grain sorghums and other feed grains which would mean, in effect, a form of livestock control over the producer who feeds all of his grain on the farm.

Controls such as these would inevitably beget more controls. Eventually, every one of the 256 agricultural commodities produced in the United States would be brought under Government regulation, as Secretary Freeman asked for last year but which Congress refused. The sweeping, all-embracing controls envisioned by the top agricultural planners of this administration would shake the foundations of our rural economy and bring about certain liquidation of the family farm as we know it.

It is hoped the administration will not receive from Congress the vast authority over agriculture it seeks. The House Agriculture Committee has eliminated from the bill nearly all of the harsh penalty sections. Milk production controls are out. Some other improvements have been made in the bill but the mandatory controls over feed grains are still in the measure.

The demands for a better bill than the one presently before the House should be a challenge to members of both political parties in Congress.

In my opinion, the wheat section is the best portion of the bill, though it is loosely drawn in many respects and does not offer the farmer in positive terms any assurance his income would be maintained over the next 1, 2, or 3 years.

The following amendments would improve the wheat section of the bill:

(1) Provide that no farmer, despite any provision in the programs, be required to idle more than one-half his cropland.

(2) Provide that certificates could be carried forward and used in a subsequent crop year. This would take care of cases where a crop is short for any reason and would permit the producer to increase his planting in the subsequent year. This would help insure maintenance of his income.

(3) Provide for absolute interchange of wheat or feed grain acreage to permit planting of all wheat or all feed grains on combined base acreage as a matter of right at the option of the farmer.

In addition to the above-named amendments, at least two others adopted by the committee should be stricken:

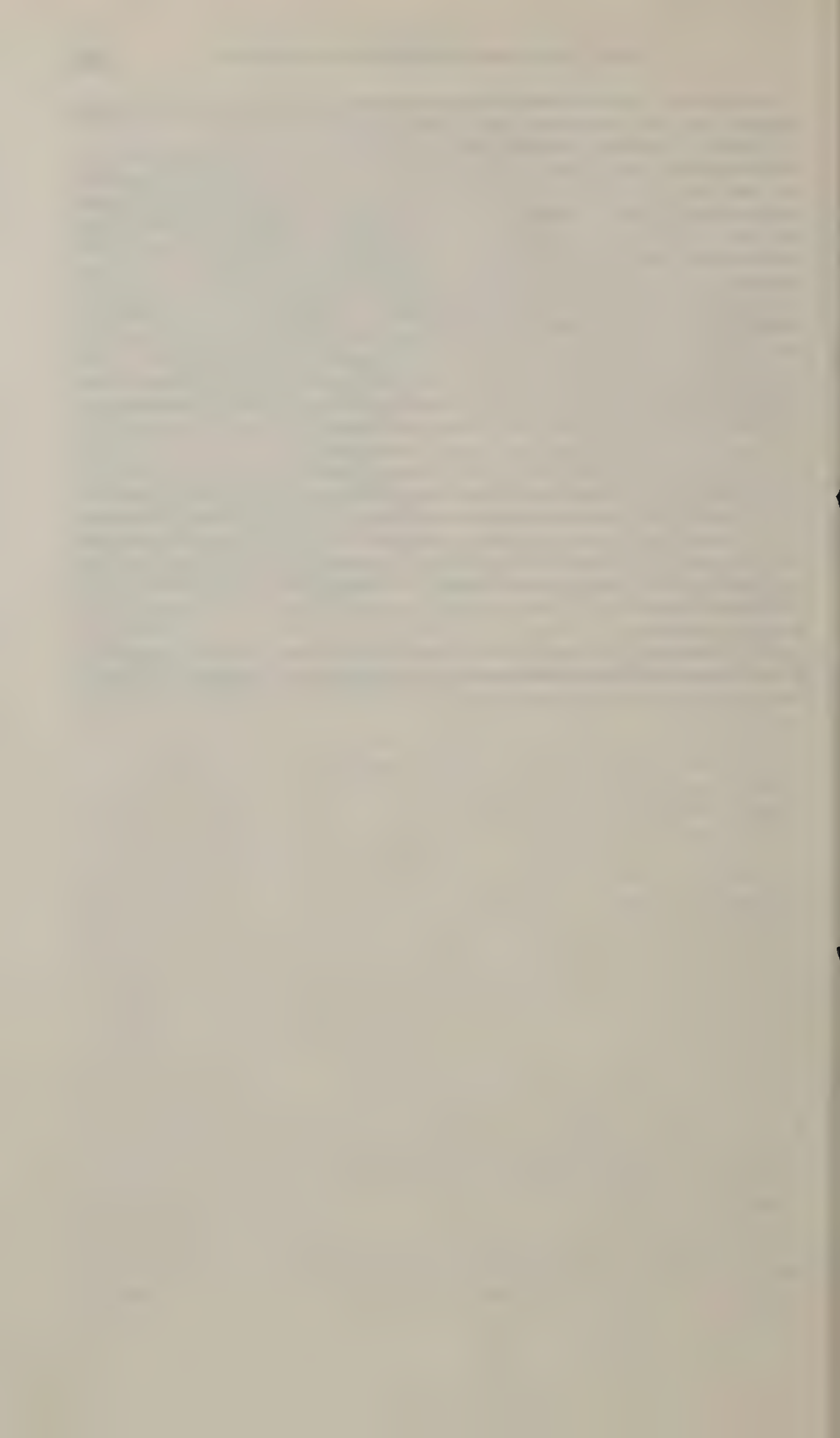
(1) One of these provides a declining scale of land retirement payments of not more than 50 percent in 1963, not more than 40 percent in 1964, and not more than 30 percent in 1965 for wheat acres taken out of production. This would not provide sufficient income protection. The farmer would know what the maximum payment might be in each year but not what the minimum payment might be and the Secretary could set it at any level under the ceiling.

(2) Under previous wheat legislation a farmer who overseeded could store excess or "penalty" wheat on his farm, under bond, at his expense, and dispose of it in a subsequent short crop year. This provision was eliminated by an amendment which if not stricken from the bill will seriously impair chances for stability of income for western Kansas farmers, and will deal a serious blow to the entire program as far as the Kansas wheat producer is concerned.

In considering the bill in its entirety, it should also be borne in mind that this is permanent and not temporary legislation; that the mandatory feed grain section poses a threat to the livestock industry; that farmers have no real choice under the so-called referendum, and that almost mysteriously this bill will primarily effect those farmers in the Midwest in the production of wheat and feed grains as it completely ignores the need for changes in cotton, rice, tobacco, and peanut programs.

With western Kansas farmers beset by the most severe drought in recent years, certainly this legislation, containing maximum controls, does not provide the answer.





Union Calendar No. 716

87TH CONGRESS
2^D SESSION

H. R. 11222

[Report No. 1691]

IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 1962

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MAY 16, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended as
4 follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 "(e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 changes in cropping systems and land uses and for practices
23 or measures to be carried out on any lands owned or operated
24 by them for the purpose of conserving and developing soil,

1 water, forest, wildlife, and recreation resources. Such agree-
2 ments shall include such terms and conditions as the Secre-
3 tary may deem desirable to effectuate the purposes of this
4 subsection and may provide for payments, the furnishing of
5 materials and services, and other assistance, in amounts
6 determined by the Secretary to be fair and reasonable, in
7 consideration of the obligations undertaken by the farm and
8 ranch owners and operators and the rights acquired by the
9 Secretary.

10 “(2) The Secretary shall provide adequate safeguards
11 to protect the interests of tenants and sharecroppers, includ-
12 ing provision for sharing, on a fair and equitable basis, in pay-
13 ments under this subsection.

14 “(3) The Secretary may agree to such modification of
15 agreements previously entered into as he may determine to
16 be desirable to carry out the purposes of this subsection or to
17 facilitate the practical administration of the program carried
18 out pursuant to this subsection.

19 “(4) The Secretary shall issue such regulations as he
20 determines necessary to carry out the provisions of this
21 subsection.

22 “(5) There is hereby authorized to be appropriated
23 such sums as may be necessary to carry out this subsection.”

24 SEC. 102. Section 31 and subsection (e) of section 32

1 of title III of the Bankhead-Jones Farm Tenant Act (50
2 Stat. 525), as amended, are amended to read as follows:

3 “SEC. 31. The Secretary is authorized and directed to
4 develop a program of land conservation and land utilization,
5 including the more economic use of lands and the retirement
6 of lands which are submarginal or not primarily suitable for
7 cultivation, in order thereby to correct maladjustments in
8 land use, and thus assist in controlling soil erosion, reforesta-
9 tion, providing public recreation, preserving natural re-
10 sources, protecting fish and wildlife, mitigating floods, pre-
11 venting impairment of dams and reservoirs, conserving
12 surface and subsurface moisture, protecting the watersheds
13 of navigable streams, and protecting the public lands, health,
14 safety, and welfare.

15 “SEC. 32. To effectuate the program provided for in
16 section 31 of this title, the Secretary is authorized—

17 “(e) to cooperate with, enter into agreements with,
18 or to furnish financial or other aid to, any Federal. State.
19 territorial, or any other agency, governmental or other-
20 wise, in developing and carrying out plans for a program
21 of land conservation and land utilization, to conduct sur-
22 veys and investigations relating to conditions and fac-
23 tors affecting, and the methods of accomplishing most
24 effectively the purposes of this title, and to disseminate
25 information concerning these activities.”

1 SEC. 103. The Watershed Protection and Flood Preven-
2 tion Act (68 Stat. 666), as amended, is amended as follows:

3 (1) Paragraph (1) of section 4 of said Act is
4 amended by changing the semicolon at the end thereof
5 to a colon and adding the following: "*Provided*, That
6 when a local organization agrees to operate and maintain
7 any reservoir or other area included in a plan for public
8 fish and wildlife or recreational development, the Secre-
9 tary shall be authorized to bear not to exceed two-thirds
10 of the costs of (a) the land, easements, or rights-of-way
11 acquired or to be acquired by the local organization for
12 such reservoir or other area, and (b) minimum basic
13 facilities needed for public health and safety, access to,
14 and use of such reservoir or other area for such purposes:
15 *Provided further*, That the Secretary shall be authorized
16 to participate in not more than one recreational develop-
17 ment in a watershed project containing less than seventy-
18 five thousand acres, or two such developments in a project
19 containing between seventy-five thousand and one hun-
20 dred and fifty thousand acres, or three such developments
21 in projects exceeding one hundred and fifty thousand
22 acres: *Provided further*, That when the Secretary and
23 a local organization have agreed that the immediate ac-
24 quisition by the local organization of land, easements, or
25 rights-of-way is advisable for the preservation of sites for

works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

SEC. 104. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet

1 of floodwater detention capacity” and inserting in lieu there-
2 of “more than twelve thousand five hundred acre-feet of
3 floodwater detention capacity”.

4 SEC. 105. Clause (B) of paragraph 2 of section 4 of
5 the Watershed Protection and Flood Prevention Act (68
6 Stat. 666), as amended, is amended to read as follows:

7 “(B) all of the cost of installing any portion of
8 such works applicable to other purposes except that any
9 part of the construction cost (including engineering costs)
10 applicable to flood prevention and features relating there-
11 to shall be borne by the Federal Government and paid
12 for by the Secretary out of funds appropriated for the
13 purposes of this Act: *Provided*, That, in addition to and
14 without limitation on the authority of the Secretary to
15 make loans or advancements under section 8, the Sec-
16 retary may pay for any storage of water for anticipated
17 future demands or needs for municipal or industrial
18 water included in any reservoir structure constructed or
19 modified under the provisions of this Act not to exceed
20 30 per centum of the total estimated cost of such reser-
21 voir structure where the local organization gives rea-
22 sonable assurances, and there is evidence, that such de-
23 mands for the use of such storage will be made within
24 a period of time which will permit repayment of the
25 cost of such water supply storage within the life of the

1 reservoir structure: *Provided further*, That the local or-
2 ganization shall agree prior to initiation of construction
3 or modification of any reservoir structure including such
4 water supply storage to repay the cost of such water
5 supply storage for anticipated future demands: *And*
6 *provided further*, That the entire amount of the cost
7 paid by the Secretary for such water supply storage for
8 anticipated future demands shall be repaid within the
9 life of the reservoir structure but in no event to exceed
10 fifty years after the reservoir structure is first used for
11 the storage of water for water supply purposes, except
12 that (1) no repayment of the cost of such water supply
13 storage for anticipated future demands need be made
14 until such supply is first used, and (2) no interest shall
15 be charged on the cost of such water supply storage for
16 anticipated future demands until such supply is first used,
17 but in no case shall the interest-free period exceed ten
18 years. The interest rate used for purposes of computing
19 the interest on the unpaid balance shall be determined
20 in accordance with the provisions of section 8.”

21 SEC. 106. Section 5 of the Watershed Protection and
22 Flood Prevention Act (68 Stat. 666), as amended, is
23 amended to read as follows:

24 “SEC. 5. (1) At such time as the Secretary and the
25 interested local organization have agreed on a plan for works

1 of improvement, and the Secretary has determined that the
2 benefits exceed the costs, and the local organization has met
3 the requirements for participation in carrying out the works
4 of improvement as set forth in section 4, the local organiza-
5 tion may secure engineering and other services, including
6 the design, preparation of contracts and specifications, award-
7 ing of contracts, and supervision of construction, in connec-
8 tion with such works of improvement, by retaining or
9 employing a professional engineer or engineers satisfactory
10 to the Secretary or may request the Secretary to provide
11 such services: *Provided*, That if the local organization elects
12 to employ a professional engineer or engineers, the Secretary
13 shall reimburse the local organization for the costs of such
14 engineering and other services secured by the local organiza-
15 tion as are properly chargeable to such works of improve-
16 ment in an amount not to exceed the amount agreed upon in
17 the plan for works of improvement or any modification
18 thereof: *Provided further*, That the Secretary may advance
19 such amounts as may be necessary to pay for such services,
20 but such advances with respect to any works of improvement
21 shall not exceed 5 per centum of the estimated installation
22 cost of such works.

23 “(2) Except as to the installation of works of improve-
24 ment on Federal lands, the Secretary shall not construct

1 or enter into any contract for the construction of any
2 structure.

3 “(3) Whenever the estimated Federal contribution to
4 the construction cost of works of improvement in the plan
5 for any watershed or subwatershed area shall exceed
6 \$250,000 or the works of improvement include any struc-
7 ture having a total capacity in excess of twenty-five hundred
8 acre-feet, the Secretary shall transmit a copy of the plan
9 and the justification therefor to the Congress through the
10 President.

11 “(4) Any plan for works of improvement involving
12 an estimated Federal contribution to construction costs in
13 excess of \$250,000 or including any structure having a
14 total capacity in excess of twenty-five hundred acre-feet
15 (a) which includes reclamation or irrigation works or which
16 affects public or other lands or wildlife under the juris-
17 diction of the Secretary of the Interior, or (b) which in-
18 cludes Federal assistance for floodwater detention struc-
19 tures, shall be submitted to the Secretary of the Interior
20 or the Secretary of the Army, respectively, for his views
21 and recommendations at least thirty days prior to trans-
22 mission of the plan to the Congress through the President.
23 The views and recommendations of the Secretary of the

1 Interior, and the Secretary of the Army, if received by
2 the Secretary prior to the expiration of the above thirty-
3 day period, shall accompany the plan transmitted by the
4 Secretary to the Congress through the President.

5 “(5) Prior to any Federal participation in the works of
6 improvement under this Act, the President shall issue such
7 rules and regulations as he deems necessary or desirable
8 to carry out the purposes of this Act, and to assure the
9 coordination of the work authorized under this Act and
10 related work of other agencies, including the Department of
11 the Interior and the Department of the Army.”

12 SEC. 107. The last proviso of section 7 of the Water-
13 shed Protection and Flood Prevention Act, 68 Stat. 666, as
14 amended, is amended to read as follows: “*Provided further,*
15 That in connection with the eleven watershed improvement
16 programs authorized by section 13 of the Act of December
17 22, 1944 (58 Stat. 887), as amended and supplemented, the
18 Secretary of Agriculture is authorized to prosecute additional
19 works of improvement for the conservation, development,
20 utilization, and disposal of water in accordance with the pro-
21 visions of section 4 of this Act or any amendments hereafter
22 made thereto”.

TITLE II—AGRICULTURAL TRADE
DEVELOPMENT

SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 201 is amended by striking out the words "out of its stocks".

(2) Section 202 is amended by striking out "from Commodity Credit Corporation stocks" and substituting "(as defined in section 106 of title I) made available by Commodity Credit Corporation".

~~SEC. 201~~ *SEC. 202. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:*

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

(2) Section 402 is amended—

1 (a) by inserting the words “including financial
2 institutions acting in behalf of such nations” after
3 the words “friendly nations”; and

4 (b) by adding at the end thereof the follow-
5 ing new sentence: “In furtherance of the purpose of
6 maximizing dollar sales through the private trade,
7 the Secretary of Agriculture is authorized to enter
8 into sales agreements with foreign and United States
9 private trade under which he shall undertake to pro-
10 vide for the delivery of surplus agricultural com-
11 modities over such periods of time and under the
12 terms and conditions set forth in this title.”

13 (3) Section 403 is amended—

14 (a) by deleting the words “approximately
15 equal” from the last sentence thereof and substitut-
16 ing therefor the word “reasonable”; and

17 (b) by inserting after the word “agreement” in
18 the last sentence thereof the following: “except that
19 the date for beginning such annual payments may
20 be deferred for a period not later than two years
21 after such date of last delivery;”

22 (4) Section 405 is amended to read as follows:

23 “In entering into such agreements, the Secretary may
24 enter into agreements with other exporting nations of

1 such commodities for their participation in the supply
2 and assistance program herein authorized on a propor-
3 tionate and equitable basis.”

4 (5) Section 406 is amended by inserting after the
5 word “Sections” the following: “101 (b) and (c)”.

6 SEC. ~~202~~ 203. Section 416 of the Agricultural Act of
7 1949, as amended, is further amended by inserting in
8 clause (4) after the words “needy persons” the words “and
9 in nonprofit school-lunch programs”.

10 SEC. ~~203~~ 204. Section 308 of the Agricultural Trade
11 Development and Assistance Act of 1954, as amended, is
12 further amended by inserting after the words “needy per-
13 sons” the words “and in nonprofit school-lunch programs”.

14 SEC. ~~204~~ 205. Section 9 of the Act of September 6, 1958
15 (Public Law 85-931), is amended by inserting after the
16 words “needy persons” the words “and in nonprofit school-
17 lunch programs”.

18 SEC. ~~205~~ 206. Commodities may be ~~made available~~
19 *donated* for school-lunch programs outside the United States
20 only if the Secretary receives assurance satisfactory to him
21 that there will be student participation in the financing of
22 such programs on the basis of ability to pay comparable to
23 that required in school-lunch programs in the United States.

TITLE III—MARKETING ORDERS

SEC. 301. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

Section 8c(2) is amended by—

(1) striking out in (A) thereof “not including vegetables, other than asparagus, for canning or freezing)” and inserting in lieu thereof “(not including vegetables, other than asparagus, for canning or freezing, or potatoes for dehydrating)”;

(2) inserting in (B) thereof after “fruits and vegetables for canning or freezing” the following “, potatoes for dehydrating”.

TITLE IV—COMMODITY PROGRAMS

SUBTITLE A—FEED GRAINS

SEC. 401. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

“PART VII—MARKETING QUOTAS—FEED GRAINS

“LEGISLATIVE FINDINGS

“SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed

1 grains move almost wholly in interstate and foreign com-
2 merce in the form of grains, livestock, and livestock products.

3 “Abnormally excessive and abnormally deficient sup-
4 plies of feed grains on the national market acutely and
5 directly burden, obstruct, and affect interstate and foreign
6 commerce. When the available supply of feed grains is
7 excessive, the prices of feed grains are unreasonably low and
8 farmers overexpand livestock production to find outlets for
9 feed grains. Excessive supplies of feed grains cause the
10 marketing of excessive supplies of livestock in interstate and
11 foreign commerce at sacrificial prices, endanger the financial
12 stability of producers, and overtax the handling, processing,
13 and transportation facilities through which the flow of inter-
14 state and foreign commerce in feed grains, livestock, and
15 livestock products is directed. Deficient supplies of feed
16 grains result in substantial decreases in livestock production
17 and in an inadequate flow of livestock and livestock products
18 in interstate and foreign commerce, with the consequence of
19 unreasonably high prices to consumers and loss of markets
20 for producers.

21 “The principal grains used for livestock feed are corn,
22 barley, grain sorghums, and oats. Although certain feed
23 grains are better suited for production in some areas than
24 other feed grains, in general, one of several feed grains can

1 be grown on the same land. A marketing program which
2 provides for a single quota applicable to feed grains and
3 which permits producers to determine, within the quota,
4 which feed grains they shall produce will tend to effectuate
5 the policy of the Act and will permit producers the maximum
6 amount of freedom of choice consistent with the attainment
7 of the policy of the Act.

8 “The conditions affecting the production and marketing
9 of feed grains are such that, without Federal assistance,
10 farmers, individually or in cooperation, cannot effectively
11 provide for a balanced supply of feed grains and the orderly
12 marketing of feed grains in interstate and foreign commerce
13 at prices which are fair and reasonable to farmers and
14 consumers.

15 “The national public interest and general welfare require
16 that the burdens on interstate and foreign commerce above
17 described be removed by the exercise of Federal power.
18 Feed grains which do not move in the form of feed grains
19 outside of the State where they are produced are so closely
20 and substantially related to feed grains which move in the
21 form of feed grains outside of the State where they are pro-
22 duced, and have such a close and substantial relation to the
23 volume and price of livestock and livestock products in inter-

1 state and foreign commerce, that it is necessary to regulate
2 feed grains which do not move outside of the State where
3 they are produced to the extent set forth in this Act.

4 “The diversion of substantial acreages from feed grains
5 to the production of commodities which are in surplus supply
6 or which will be in surplus supply if they are permitted to be
7 grown on the diverted acreage would burden, obstruct, and
8 adversely affect interstate and foreign commerce in such
9 commodities, and would adversely affect the prices of such
10 commodities in interstate and foreign commerce. Small
11 changes in the supply of a commodity could create a sufficient
12 surplus to affect seriously the price of such commodity in
13 interstate and foreign commerce. Large changes in the
14 supply of such commodity could have a more acute effect on
15 the price of the commodity in interstate and foreign com-
16 merce and, also, could overtax the handling, processing, and
17 transportation facilities through which the flow of interstate
18 and foreign commerce in such commodity is directed. Such
19 adverse effects caused by overproduction in one year could
20 further result in a deficient supply of the commodity in the
21 succeeding year, causing excessive increases in the price of
22 the commodity in interstate and foreign commerce in such
23 year. It is, therefore, necessary to prevent acreage diverted
24 from the production of feed grains to be used to produce com-
25 modities which are in surplus supply or which will be in

1 surplus supply if they are permitted to be grown on the di-
2 verted acreage.

3 "NATIONAL MARKETING QUOTA

4 "SEC. 360b. (a) Whenever prior to June 20 in any
5 calendar year the Secretary determines that the total supply
6 of feed grains in the marketing year beginning in the next
7 succeeding calendar year will, in the absence of a marketing
8 quota program, likely be excessive, the Secretary shall pro-
9 claim that a national marketing quota for feed grains shall
10 be in effect for such marketing year and for either the
11 following marketing year or the following two marketing
12 years, if the Secretary determines and declares in such
13 proclamation that a two- or three-year marketing quota
14 program is necessary to effectuate the policy of the Act.

15 "(b) If a national marketing quota for feed grains has
16 been proclaimed for any marketing year, the Secretary shall
17 determine and proclaim the amount of the national market-
18 ing quota for such marketing year not earlier than January
19 1 or later than June 20 of the calendar year preceding the
20 year in which such marketing year begins. The amount of
21 the national marketing quota for feed grains for any market-
22 ing year shall be an amount of feed grains which, during such
23 marketing year, the Secretary estimates (i) will be utilized
24 in the United States in the production of the volume of live-
25 stock (including poultry) and livestock products determined

1 to be needed to meet domestic consumption and export re-
2 quirements, (ii) will be utilized for human consumption in
3 the United States as food, food products, and beverages, com-
4 posed wholly or partly of feed grains, (iii) will be utilized
5 in the United States for seed and industrial uses, and (iv)
6 will be exported either in the form of feed grains or products
7 thereof; less (A) an amount of feed grains equal to the esti-
8 mated imports of feed grains into the United States during
9 such marketing year and, (B) if the stocks of feed grains
10 owned by the Commodity Credit Corporation are determined
11 by the Secretary to be excessive, an amount of feed grains not
12 to exceed 7 per centum of items (i), (ii), (iii), and (iv)
13 above, determined by the Secretary to be a desirable reduc-
14 tion in such marketing year in such stocks to achieve the
15 policy of the Act: *Provided*, That if the Secretary determines
16 that the total stocks of feed grains in the Nation are insuffi-
17 cient to assure an adequate carryover for the next succeeding
18 marketing year, the national marketing quota otherwise de-
19 termined shall be increased by the amount the Secretary
20 determines to be necessary to assure an adequate carryover.

21 “(c) If, after the proclamation of a national marketing
22 quota for feed grains for any marketing year, the Secretary
23 has reason to believe that, because of a national emergency
24 or because of a material increase in the demand for feed

1 grains, the national marketing quota should be terminated or
2 the amount thereof increased, he shall cause an immediate
3 investigation to be made to determine whether such action is
4 necessary in order to meet such emergency or increase in the
5 demand for feed grains. If, on the basis of such investiga-
6 tion, the Secretary finds that such action is necessary, he
7 shall immediately proclaim such finding and the amount of
8 any such increase found by him to be necessary and there-
9 upon such national marketing quota shall be so increased or
10 terminated. In case any national marketing quota is in-
11 creased under this subsection, the Secretary shall provide for
12 such increase by increasing acreage allotments established
13 under this part by a uniform percentage.

14 "NATIONAL ACREAGE ALLOTMENT

15 "SEC. 360c. Whenever the amount of the national
16 marketing quota for feed grains is proclaimed for any mar-
17 keting year, the Secretary at the same time shall proclaim
18 a national acreage allotment for the crop of feed grains
19 planted for harvest in the calendar year in which such
20 marketing year begins. The amount of the national acreage
21 allotment shall be the number of acres which the Secretary
22 determines on the basis of expected yields and expected
23 underplantings of farm acreage allotments will, together with
24 the expected production on increased acreages resulting from

1 the small-farm exemption pursuant to section 360f, make
2 available a supply of feed grains equal to the national
3 marketing quota for feed grains for such marketing year.

4 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

5 "SEC. 360d. (a) The national acreage allotment for
6 any crop of feed grains, less a reserve acreage of not to
7 exceed 1 per centum thereof for use as provided in sub-
8 section (b) (2) of this section, shall be apportioned by the
9 Secretary among the several States on the basis of the base
10 acreage of feed grains for each State. The State base acreage
11 of feed grains shall be the average acreage of feed grains
12 in the State during the base period, adjusted pursuant to
13 subsection (d) of this section.

14 "(b) (1) The State acreage allotment for any crop of
15 feed grains, less a reserve acreage of not to exceed 3 per
16 centum thereof for use as provided in subsection (c) (2) of
17 this section, shall be apportioned by the Secretary among
18 the counties in the State on the basis of the base acreage of
19 feed grains for each county. The county base acreage of
20 feed grains shall be the average acreage of feed grains in the
21 county during the base period, adjusted pursuant to subsec-
22 tion (d) of this section.

23 "(2) The reserve acreage established pursuant to sub-
24 section (a) of this section shall be used by the Secretary to
25 make increases in county acreage allotments on the basis of

1 the relative needs of counties for an additional share of the
2 national acreage allotment because of new areas coming
3 into the production of feed grains.

4 “(c) (1) The county acreage allotment for any crop
5 of feed grains shall be apportioned by the Secretary, through
6 the county committee, among the farms in the county on
7 the basis of the base acreage of feed grains for each farm.
8 The farm base acreage of feed grains shall be the average
9 acreage of feed grains on the farm during the base period,
10 adjusted pursuant to subsection (d) of this section.

11 “(2) The reserve acreage established pursuant to sub-
12 section (b) (1) of this section shall be available:

13 “(A) For apportionment to farms which were eli-
14 gible to receive farm acreage allotments under this part,
15 but which through error did not receive such allotments;

16 “(B) For making increases in farm acreage allot-
17 ments on the basis of any one or more of the following
18 factors: tillable acres, type of soil, topography, estab-
19 lished crop-rotation practices on the farm, hardship, in-
20 equities in allotments, and such other factors as the Sec-
21 retary determines should be considered for the purpose
22 of establishing fair and equitable farm acreage allotments;
23 and

24 “(C) For apportionment to farms for which farm
25 acreage allotments were not determined because there

1 were no acreages of feed grains on such farm during
2 the base period on the basis of the following factors:
3 the suitability of the land for the production of feed
4 grains, the past experience of the farm operator in the
5 production of feed grains, the extent to which the farm
6 operator is dependent on income from farming for his
7 livelihood, the production of feed grains on other farms
8 owned, operated, or controlled by the farm operator,
9 and such other factors as the Secretary determines should
10 be considered for the purpose of establishing fair and
11 equitable farm acreage allotments.

12 “(d) In determining the State, county, and farm base
13 acreages—

14 “(1) the base period shall be the calendar years
15 1959 and 1960 for the purpose of determining acreage
16 allotments for the 1963, 1964, and 1965 crops of feed
17 grains; and for the purpose of determining acreage
18 allotments for subsequent crops of feed grains, the base
19 period shall be the two most recent calendar years
20 during which a marketing quota program was in effect
21 for which statistics of the Federal Government are
22 available;

23 “(2) the Secretary shall make such upward adjust-
24 ments as he determines are necessary for abnormal
25 conditions affecting the acreage of feed grains planted for

1 harvest, land which is regarded as devoted to the produc-
 2 tion of feed grains under the conservation reserve and
 3 other Federal farm programs, established crop-rotation
 4 practices on the farm, hardships, and such other
 5 factors as the Secretary determines should be considered
 6 for the purpose of establishing fair and equitable base
 7 acreages;

8 “(3) the acreage of feed grains on the farm in
 9 excess of the farm acreage allotment shall be excluded
 10 in determining the average acreage of feed grains for
 11 the State, county, or farm.

12 “(4) the acreage of wheat produced on the farm
 13 pursuant to the exemption provided in section 335 (f),
 14 in effect prior to the enactment of this part VII, shall
 15 be considered as an acreage of feed grains in determining
 16 the average acreage of feed grains for the State, county,
 17 or ~~farm.~~” farm.

18 “(e) *Any part of any farm feed grain acreage allotment*
 19 *on which feed grains will not be planted and which is volun-*
 20 *tarily surrendered to the county committee shall be deducted*
 21 *from the allotment to such farm and may be reapportioned*
 22 *by the county committee to other farms in the same county*
 23 *receiving allotments in amounts determined by the county com-*
 24 *mittee to be fair and reasonable on the basis of past acreage*

1 of feed grains, land, labor, equipment available for the pro-
2 duction of feed grains, crop rotation practices, and soil and
3 other physical facilities affecting the production of feed grains.
4 If all of the allotted acreage voluntarily surrendered is not
5 needed in the county, the county committee may surrender
6 the excess acreage to the State committee to be used for the
7 same purposes as the State reserve acreage under subsection
8 (b) of this section. Any allotment released under this provi-
9 sion shall be regarded for the purposes of establishing future
10 allotments as having been planted on the farm and in the
11 county where the release was made rather than on the farm
12 and in the county to which the allotment was transferred,
13 except that this shall not operate to make the farm from which
14 the allotment was transferred eligible for an allotment as hav-
15 ing feed grains planted thereon during the base period.

16 “Acreage released under this subsection shall be credited
17 to the State in determining future allotments. The producers
18 on a farm on which any part of the farm allotment for feed
19 grains is released pursuant to the provisions of this subsection,
20 or on a farm whose allotment for feed grains is increased due
21 to reapportionment to such farm of allotments released by
22 other farms under this subsection, shall not be eligible for pay-
23 ments under subsection (b) of section 360j. The producers
24 on a farm on which any part of the farm allotment for feed
25 grains is released pursuant to this subsection shall be required

1 to divert from the production of crops, an acreage of crop-
 2 land equal to the acreage allotment released, and shall be sub-
 3 ject to a penalty on any crop produced on such acreage unless
 4 the crop is designated by the Secretary as one which is not in
 5 surplus supply if permitted to be grown on the diverted
 6 acreage. Such penalty shall be in the amount provided in
 7 section 360j and shall be subject to the provisions of such
 8 section.

9 “GEOGRAPHICAL APPLICABILITY

10 “SEC. 360e. This part VII shall be applicable to the
 11 continental United States excluding Alaska.

12 “SMALL FARM EXEMPTION

13 “SEC. 360f. Notwithstanding any other provision of
 14 this part, no farm marketing quota for any crop of feed grains
 15 shall be applicable to any farm with a farm base acreage
 16 of twenty-five acres or less if the acreage of such crop of
 17 feed grains does not exceed the farm base acreage deter-
 18 mined for the farm, unless the owner or operator elects in
 19 writing on a form and within the time prescribed by the
 20 Secretary to be subject to the farm acreage allotment. If
 21 the owner or operator of any such farm fails to make such
 22 election with respect to any crop of feed grains, (i) for the
 23 purposes of section 360h, the farm acreage allotment for such
 24 crop of feed grains shall be deemed to be the farm base
 25 acreage if the acreage of such crop of feed grains exceeded

1 the farm base acreage, (ii) the land-use provisions of sec-
2 tion 360j shall be inapplicable to the farm, and (iii) such
3 crop of feed grains shall not be eligible for price support.

4 "REFERENDUM

5 "SEC. 360g. If a national marketing quota for feed grains
6 for one, two, or three marketing years is proclaimed, the
7 Secretary shall, not later than sixty days after such proclama-
8 tion is published in the Federal Register, conduct a referen-
9 dum, by secret ballot, of farmers to determine whether they
10 favor or oppose marketing quotas for the marketing year or
11 years for which proclaimed. Any producer who has a feed
12 grain base shall be eligible to vote in any referendum held
13 pursuant to this section, except a producer who has a farm
14 feed grain base of twenty-five acres or less and who does not
15 elect, pursuant to section 360f, to be subject to the farm acre-
16 age allotment. The Secretary shall proclaim the results of
17 any referendum held hereunder within thirty days after the
18 date of such referendum, and if the Secretary determines that
19 more than one-third of the farmers voting in the referendum
20 voted against marketing quotas, the Secretary shall pro-
21 claim that marketing quotas will not be in effect with respect
22 to the crop of feed grains produced for harvest in the calendar
23 year following the calendar year in which the referendum is
24 held. If the Secretary determines that two-thirds or more
25 of the farmers voting in a referendum approve marketing

1 quotas for a period of two or three marketing years, no refer-
2 endum shall be held for the subsequent year or years of such
3 period.

4 "COMPLIANCE

5 "SEC. 360h. (a) (1) The farm marketing quota for any
6 crop of feed grains shall be the actual production of the
7 acreage of feed grains on the farm less the farm marketing
8 excess. The farm marketing excess shall be an amount equal
9 to twice the normal production of the acreage of feed grains
10 on the farm in excess of the farm acreage allotment for such
11 crop: *Provided*, That the farm marketing excess shall be an
12 amount equal to the actual production of the number of acres
13 of feed grains on the farm in excess of the farm acreage allot-
14 ment for such crop, if the producer, in accordance with
15 regulations issued by the Secretary and within the time
16 prescribed therein, establishes to the satisfaction of the
17 Secretary the actual production of such crop of feed grains on
18 the farm: *Provided further*, That if there is an acreage of
19 more than one feed grain on the farm, in determining which
20 acreage is in excess of the farm acreage allotment, the acre-
21 age of the feed grain or grains which has the highest value,
22 based on the normal yield of the feed grain on the farm
23 multiplied by the basic county support rate for the feed
24 grain, shall be considered as the acreage in excess of the
25 farm acreage allotment.

1 “(2) For the purposes of this section, (i) ‘actual pro-
2 duction’ of any number of acres of a feed grain on a farm
3 means the actual average yield of such feed grain on the farm
4 multiplied by the number of acres of such feed grain, and
5 (ii) ‘normal production’ of any number of acres of a feed
6 grain on a farm means the normal yield of such feed grain
7 on the farm multiplied by the number of acres of such feed
8 grain. The normal yield of any feed grain for a farm shall
9 be the average yield of such feed grain determined by the
10 Secretary for the farm during the base period (as defined in
11 subsection (d) (1) of section 360d) adjusted to the extent
12 the Secretary determines necessary for abnormal factors af-
13 fecting production.

14 “(3) In determining the farm marketing quota and
15 farm marketing excess, (i) any acreage of a feed grain
16 remaining after the date prescribed by the Secretary for the
17 disposal of excess acres of such feed grain shall be included
18 as an acreage of feed grains on the farm, and the production
19 thereof shall be appraised in such manner as the Secretary
20 determines will provide a reasonably accurate estimate of
21 such production, (ii) any acreage of any feed grain classified
22 as wheat acreage pursuant to section 337 shall not be con-
23 sidered feed grain acreage, and (iii) any acreage of feed
24 grains disposed of in accordance with regulations issued by
25 the Secretary prior to such date as may be prescribed by the

1 Secretary shall be excluded in determining the farm market-
2 ing quota and farm marketing excess. Marketing quotas for
3 any marketing year shall be in effect with respect to feed
4 grains harvested in the calendar year in which such market-
5 ing year begins notwithstanding that the feed grains are
6 marketed prior to the beginning of such marketing year.

7 “(b) Whenever farm marketing quotas are in effect
8 with respect to any crop of feed grains, the farm marketing
9 excess of any feed grain shall be regarded as available for
10 marketing, and the producers on a farm shall be subject to
11 a penalty on the farm marketing excess of feed grains at a
12 rate per bushel on the amount of feed grains in the farm mar-
13 keting excess equal to 65 per centum of the parity price of
14 the particular feed grain involved as of May 1 of the calen-
15 dar year in which the crop is harvested. Each producer hav-
16 ing an interest in the crop of feed grains on any farm for
17 which a farm marketing excess of feed grains is determined
18 shall be jointly and severally liable for the entire amount of
19 the penalty on the farm marketing excess.

20 “(c) If the farm marketing excess is adjusted down-
21 ward on the basis of actual production as heretofore provided,
22 the difference between the amount of the penalty computed
23 upon the basis of twice the normal production and as com-
24 puted upon the basis of actual production shall be returned
25 to or allowed the producer.

1 “(d) Until the producers on any farm pay the penalty
2 on, the farm marketing excess of any crop of feed grains,
3 the entire crop of feed grains produced on the farm and any
4 subsequent crop of feed grains subject to marketing quotas in
5 which the producer has an interest shall be subject to a lien
6 in favor of the United States for the amount of the penalty.

7 “(e) Until the penalty on the farm marketing excess of
8 feed grains is paid, each bushel of feed grains produced on the
9 farm shall be subject to the penalty specified in subsection
10 (b) of this section, and such penalty on each bushel of feed
11 grains which is sold by the producer to any person within the
12 United States shall be paid by the buyer, who may deduct
13 an amount equivalent to the penalty from the price paid to
14 the producer. If the buyer fails to collect such penalty, such
15 buyer and all persons entitled to share in the feed grains
16 marketed from the farm or the proceeds thereof shall be
17 jointly and severally liable for such penalty.

18 “(f) The persons liable for the payment or collection
19 of the penalty on any amount of feed grains shall be liable
20 also for interest thereon at the rate of 6 per centum per an-
21 num from the date the penalty becomes due until the date
22 of payment of such penalty.

23 “SUBSTITUTION OF WHEAT FOR FEED GRAINS

24 “SEC. 360i. Notwithstanding any other provision of law,
25 the Secretary shall permit producers of wheat to have

1 acreage devoted to the production of wheat considered as de-
2 voted to the production of feed grains to such extent and
3 subject to such terms and conditions as the Secretary de-
4 termines will not impair the effective operation of this sub-
5 title B.

6 “LAND USE

7 “SEC. 360j. (a) (1) During any year in which mar-
8 keting quotas for feed grains are in effect, the producers on
9 any farm (except a farm for which a farm acreage allot-
10 ment is established pursuant to section 360d (c) (2) (C)) on
11 which any crop is produced on acreage required to be di-
12 verted from the production of feed grains shall be subject
13 to a penalty on such crop, in addition to any marketing quota
14 penalty applicable to such crop, as provided in this subsec-
15 tion, unless (i) the crop is designated by the Secretary
16 pursuant to subsection (e) hereof or (ii) no feed grains are
17 produced on the farm, and the producers have not filed an
18 agreement or a statement of intention to participate in the
19 payment program formulated pursuant to subsection (b)
20 of this section. The acreage required to be diverted from
21 the production of feed grains on the farm shall be an acreage
22 of cropland equal to the amount by which the base acreage
23 of feed grains for the farm exceeds the farm acreage allot-
24 ment for feed grains. The actual production of any crop

1 subject to penalty under this subsection shall be regarded
2 as available for marketing and the penalty on such crop
3 shall be computed on the actual acreage of such crop at
4 the rate of 65 per centum of the parity price per bushel,
5 as of May 1, of the calendar year in which the crop is har-
6 vested, of the feed grain determined by the Secretary to be
7 the principal feed grain produced in the county, multiplied
8 by the normal yield for such feed grain as defined in section
9 360h (a). Until the producers on any farm pay the penalty
10 on such crop, the entire crop of feed grains produced on the
11 farm and any subsequent crop of feed grains subject to mar-
12 keting quotas in which the producer has an interest shall be
13 subject to a lien in favor of the United States for the amount
14 of the penalty. Each producer having an interest in the
15 crop or crops on acreage diverted or required to be diverted
16 from the production of feed grains shall be jointly and sever-
17 ally liable for the entire amount of the penalty. The Sec-
18 retary may require the penalty on the production of crops on
19 the diverted acreage to be collected by the purchaser of feed
20 grains produced on the farm. The persons liable for the pay-
21 ment or collection of the penalty under this section shall be
22 liable also for interest thereon at the rate of 6 per centum
23 per annum from the date the penalty becomes due until
24 the date of payment of such penalty.

25 “(2) The Secretary may require that the acreage on

1 any farm diverted from the production of feed grains be land
2 which was diverted from the production of feed grains in the
3 previous year, to the extent he determines that such require-
4 ment is necessary to effectuate the purposes of this subtitle.

5 “(3) The Secretary may permit the diverted acreage to
6 be grazed in accordance with regulations prescribed by the
7 Secretary.

8 “(b) The Secretary is authorized to formulate and carry
9 out a program with respect to the 1963, 1964, and 1965
10 crops of feed grains under which, subject to such terms and
11 conditions as he determines are desirable to effectuate the
12 purposes of this section. Payments shall be in an amount
13 not to exceed the estimated normal production of feed grains
14 for the acreage diverted, multiplied by 50 per centum of the
15 estimated basic county support rates for feed grains in the
16 case of the 1963 crop, 40 per centum of the estimated basic
17 county support rate for feed grains in the case of the 1964
18 crop, and 30 per centum of the estimated basic county sup-
19 port rate for feed grains in the case of the 1965 crop.
20 The Secretary may permit the producers on the farm
21 to divert from the production of feed grains an acre-
22 age, in addition to the acreage diverted pursuant to sub-
23 section (a), equal to 20 per centum of the farm
24 acreage allotment for feed grains: *Provided*, That the
25 producers on any farm may, at their election, divert such

1 acreage, in addition to the acreage diverted pursuant to sub-
2 section (a), as will bring the total acreage diverted on the
3 farm to twenty-five acres. Such program shall require
4 (1) that the diverted acreage shall be devoted to con-
5 servation uses approved by the Secretary; (2) that the
6 total acreage of cropland on the farm devoted to soil-conserv-
7 ing uses, including summer fallow and idle land but exclud-
8 ing the acreage diverted as provided above and acreage di-
9 verted under the land-use provisions for wheat pursuant to
10 section 339, shall not be less than the total average acreage
11 of cropland devoted to soil-conserving uses including sum-
12 mer fallow and idle land on the farm during the base period
13 used in determining the farm acreage allotment adjusted to
14 the extent the Secretary determines appropriate for (i)
15 abnormal weather conditions or other factors affecting pro-
16 duction, (ii) established crop-rotation practices on the farm,
17 (iii) participation in the Conservation Reserve and other
18 Federal farm programs, (iv) unusually high percentage of
19 land on the farm devoted to conserving uses, and (v) other
20 factors which the Secretary determines should be considered
21 for the purpose of establishing a fair and equitable soil-con-
22 serving acreage for the farm; and (3) that the producers
23 shall not knowingly exceed (i) any farm acreage allotment
24 in effect for any commodity produced on the farm, and (ii)
25 except as the Secretary may by regulation prescribe, the

1 farm acreage allotments on any other farm for any crop in
2 which the producer has a share. The producer on any farm
3 for which a farm acreage allotment is established pursuant
4 to section 360d (c) (2) (C) shall not be eligible for pay-
5 ments hereunder. Payments may be made in cash or in
6 feed grains. The Secretary shall provide for the sharing
7 of payment among producers on the farm on a fair and equi-
8 table basis. The following factors shall be given considera-
9 tion in arriving at the division of payment:

10 “(1) The basis on which producers would have
11 shared in the production of feed grains had feed grains
12 been produced on the diverted acreage;

13 “(2) The savings or benefits accruing to each pro-
14 ducer on the diverted acreage;

15 “(3) The respective contribution of each producer
16 to the establishment and maintenance of the conserva-
17 tion use on the acreage designated as diverted from pro-
18 duction; and

19 “(4) The respective relationship of the diverted
20 acreage and increased conservation acreage to the various
21 ownership tracts comprising a farm.

22 “(c) Where a producer is not entitled to receive full
23 payment under the program formulated under subsection
24 (b) of this section because of failure to comply with the
25 terms and conditions of the program, the Secretary is au-

1 thorized to make partial payment to the producer proportion-
2 ate to the performance rendered.

3 “(d) Not to exceed 50 per centum of any payment to
4 producers under subsection (b) of this section may be
5 made in advance of determination of performance.

6 “(e) The Secretary may permit the diverted acreage
7 to be devoted to the production of guar, sesame, safflower,
8 sunflower, castor beans, malting barley, and flax, when such
9 crops are not in surplus supply and will not be in surplus
10 supply if permitted to be grown on the diverted acreage,
11 subject to the condition that payment with respect to di-
12 verted acreage devoted to any such crop shall be at a rate
13 determined by the Secretary to be fair and reasonable taking
14 into consideration the use of such acreage for the produc-
15 tion of such crops: *Provided*, That in no event shall the
16 payment exceed one-half the rate which would otherwise be
17 applicable if such acreage were devoted to conservation
18 uses.

19 “(f) If the Secretary permits the diverted acreage to be
20 grazed before October 1 or after April 1, no payment shall
21 be made for the acreage which is grazed.

22 “(g) The program formulated pursuant to subsection
23 (b) of this section may include such terms and conditions,
24 in addition to those specifically provided for herein, as the

1 Secretary determines are desirable to effectuate the purposes
2 of this section.

3 “(h) The Secretary is authorized to promulgate such
4 regulations as may be desirable to carry out the provisions
5 of this section.

6 “(i) The Commodity Credit Corporation is authorized
7 to utilize its capital funds and other assets for the purpose
8 of making the payments authorized in this section and to
9 pay administrative expenses necessary in carrying out this
10 section during the period ending June 30, 1963. There is
11 authorized to be appropriated such amounts as may be
12 necessary thereafter to pay such administrative expenses.

13 “(j) Notwithstanding any other provision of law, per-
14 formance rendered in good faith in reliance upon action or
15 advice of an authorized representative of the Secretary may
16 be accepted as meeting the requirements of this section, or
17 of subsections (c) and (d) of section 16 of the Soil Conser-
18 vation and Domestic Allotment Act, as amended, any pay-
19 ment may be made therefor in accordance with such action
20 or advice to the extent the Secretary deems it desirable in
21 order to provide fair and equitable ~~treatment.~~ treatment.

22 “SEC. 360k. Notwithstanding any other provision of this
23 part, in any feed deficit area in which the Secretary deter-
24 mines (1) that the application of the provisions of this Act

1 would result in hardship to producers in such area, would
2 unduly increase the price of feed grains in such area relative
3 to other areas, and would disrupt normal farming practices
4 in such area, and (2) that the exception provided by this
5 section would not impair the effective operation of this Act,
6 he may provide in accordance with such regulations as he
7 may prescribe that no farm marketing quota (that is, produc-
8 tion on the acreage allotment) for any crop of feed grains
9 shall be applicable to any farm in such area, if the acreage of
10 such crop of feed grains does not exceed the farm base acreage
11 determined for the farm. If the Secretary so provides, (i)
12 for the purposes of section 360h, the farm acreage allotment
13 for such crop of feed grains shall be deemed to be the farm
14 base acreage, (ii) the land-use provisions of section 360j
15 shall be inapplicable to the farm, (iii) such crop of feed
16 grains shall not be eligible for price support, and (iv) the
17 producers on such farm shall not be eligible to vote in any
18 referendum on marketing quotas for such crop.”

19 SEC. 402. Section 2 of the Agricultural Adjustment Act
20 of 1938, as amended, is hereby amended by striking out
21 “and” immediately following the last semicolon, by changing
22 the period at the end thereof to a semicolon, and by adding
23 immediately following such new semicolon the following:
24 “and to reduce the annual carryover of feed grains, to stabi-

1 lize the supply of feed grains, and to provide for an adequate
2 and balanced flow of feed grains so that the prices of feed
3 grains are fair to producers and consumers and the total
4 supply of feed grains available for utilization for livestock
5 feed is maintained at a level which is consistent with the
6 production of the quantities of livestock and the products
7 thereof that will be consumed and exported at prices which
8 are fair to producers and consumers.”

9 SEC. 403. Section 301 of the Agricultural Adjustment
10 Act of 1938, as amended, is hereby amended as follows:

11 (1) Subsection (a) is amended by adding at the
12 end thereof the following new items:

13 “(10) The term ‘feed grains’ means corn, oats,
14 grain sorghums, and barley. The term ‘feed grains’
15 shall also include rye if the Secretary designates such
16 commodity.

17 “(11) The term ‘acreage of feed grains’ means
18 acreage of feed grains planted for harvest (including
19 self-seeded feed grains).

20 “(12) The term ‘crop’ as applied to ‘feed grains’
21 means all of the crops of the agricultural commodities
22 which comprise feed grains and which are produced for
23 harvest in the same calendar year.”

1 (2) Subsection (b) (6) (A) is amended to read
2 as follows:

3 “(6) (A) ‘Market’, in the case of cotton, rice, to-
4 bacco, wheat, and feed grains, means to dispose of, in
5 raw or processed form, by voluntary or involuntary sale,
6 barter, or exchange, or by gift inter vivos, and, in the
7 case of wheat and feed grains, by feeding (in any form)
8 to poultry or livestock which, or the products of which,
9 are sold, bartered, or exchanged, or to be so disposed of.”

10 (3) Subsection (b) (7) is amended to read as
11 follows:

12 “(7) ‘Marketing year’ means, in the case of the
13 following commodities, the period beginning on the first
14 and ending with the second date specified below:

15 “Barley, July 1–June 30;

16 “Corn, October 1–September 30;

17 “Cotton, August 1–July 31;

18 “Oats, July 1–June 30;

19 “Grain sorghums, July 1–June 30;

20 “Peanuts, August 1–July 31;

21 “Rice, August 1–July 31;

22 “Rye, July 1–June 30;

23 “Tobacco (flue-cured), July 1–June 30;

1 “Tobacco (other than flue-cured), October 1–
2 September 30;

3 “Wheat, July 1–June 30;

4 “ ‘Marketing year’ means, in the case of ‘feed grains’,
5 the marketing years for the agricultural commodities
6 comprising the feed grains.”

7 SEC. 404. Sections 361, 362, and 363 of the Agricul-
8 tural Adjustment Act of 1938, as amended, are hereby
9 amended as follows:

10 (1) Section 361 is amended by adding “feed
11 grains,” after “wheat,”, and by changing the period at
12 the end of the section to a comma and adding the follow-
13 ing: “and to the review of land-use penalties assessed
14 pursuant to sections 339 and 360j.”

15 (2) Section 362 is amended by adding at the end
16 thereof the following: “Notice of the land-use penalty
17 assessed pursuant to section 339 or 360j shall be mailed
18 to the farmer.”

19 (3) Section 363 is amended by adding “or land-
20 use penalty” after the word “quota” wherever it appears
21 in such section.

22 SEC. 405. Section 372 of the Agricultural Adjustment

1 Act of 1938, as amended, is hereby amended by adding
2 “feed grains,” after “wheat,” in subsection (a) thereof.

3 SEC. 406. Sections 373, 374, and 375 of the Agricul-
4 tural Adjustment Act of 1938, as amended, are hereby
5 amended by deleting “corn” wherever it appears and by
6 substituting in lieu thereof “feed grains”; and subsection (b)
7 of section 375 of the Agricultural Adjustment Act of 1938,
8 as amended, is further amended by striking out the period at
9 the end of the sentence and inserting at the end thereof the
10 following: “or to effectuate the provisions thereof.”

11 SEC. 407. Section 385 of the Agricultural Adjustment
12 Act of 1938, as amended, is hereby amended by inserting
13 in the first sentence after “Soil Conservation Act payment,”
14 the following: “payment under section 360j,”.

15 SEC. 408. The amendments to the Agricultural Adjust-
16 ment Act of 1938, as amended, made by sections 401 through
17 407 of this Act shall be in effect only with respect to pro-
18 grams applicable to crops planted for harvest in the cal-
19 endar year 1963 or any subsequent year and to the mar-
20 keting years beginning in the calendar year 1963 or any sub-
21 sequent year.

22 SEC. 409. The Agricultural Act of 1949, as amended,
23 is amended as follows:

24 (1) By amending section 105 by deleting subsec-
25 tions (a) and (b) and substituting the following:

1 “(a) Notwithstanding the provisions of section 101 of
2 this Act, beginning with the 1963 crop—

3 “(1) price support for each crop of corn shall be
4 made available at such level not less than 65 per
5 centum or more than 90 per centum of the parity
6 price therefor as the Secretary determines appropriate
7 after consideration of (i) the factors specified in
8 section 401 (b) of this Act, (ii) the supplies of feed
9 grains that would be available during the marketing
10 year at prices approximating the support prices of feed
11 grains, and (iii) consumption goals during the market-
12 ing year for livestock and livestock products, taking into
13 consideration consumption under special governmental
14 programs, and imports and exports of livestock and live-
15 stock products;

16 “(2) price support for each crop of barley, grain
17 sorghums, oats, and rye, respectively, shall be at such
18 level as the Secretary determines is fair and reasonable
19 in relation to the level at which price support is made
20 available for corn, taking into consideration the feeding
21 value of such feed grain in relation to corn, location,
22 and buyer preference;

23 “(3) if marketing quotas are in effect for the crop
24 of any feed grain, price support for such crop shall be
25 made available only to cooperators;

1 “(4) no price support shall be made available for
2 any crop of a feed grain for which a marketing quota
3 is not in effect because of disapproval by producers; and

4 “(5) a ‘cooperator’ with respect to any crop of feed
5 grains produced on a farm shall be a producer who (i)
6 does not knowingly exceed (A) the farm acreage allot-
7 ment for feed grains or any other commodity on the farm
8 or (B) except as the Secretary may by regulation pre-
9 scribe, the farm acreage allotment on any other farm for
10 any commodity in which he has an interest as a producer,
11 and (ii) complies with the land-use requirements of
12 section 360j of the Agricultural Adjustment Act of 1938,
13 as amended, to the extent prescribed by the Secretary.”

14 (2) By amending section 105 by redesignating
15 subsection (c) thereof as subsection (b).

16 (3) By amending section 401 (b) by inserting after
17 the comma before “(2)” the following: “(2) the in-
18 come needed to provide a farm operator and his family
19 with a return for his labor and investment equal to the
20 return earned by comparable resources in other occupa-
21 tions”, and by renumbering (2), (3), (4), (5), (6),
22 (7), and (8) as (3), (4), (5), (6), (7), (8),
23 and (9), respectively.

24 (4) By adding at the end of section 407 the
25 following: “Notwithstanding any other provision here-

of, if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains.

SUBTITLE B—WHEAT

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

“Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

“The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such

1 commodities, and would adversely affect the prices of such
2 commodities in interstate and foreign commerce. Small
3 changes in the supply of a commodity could create a sufficient
4 surplus to affect seriously the price of such commodity in
5 interstate and foreign commerce. Large changes in the sup-
6 ply of such commodity could have a more acute effect on the
7 price of the commodity in interstate and foreign commerce
8 and, also, could overtax the handling, processing, and trans-
9 portation facilities through which the flow of interstate and
10 foreign commerce in such commodity is directed. Such ad-
11 verse effects caused by overproduction in one year could
12 further result in a deficient supply of the commodity in the
13 succeeding year, causing excessive increases in the price of
14 the commodity in interstate and foreign commerce in such
15 year. It is, therefore, necessary to prevent acreage diverted
16 from the production of wheat to be used to produce commodi-
17 ties which are in surplus supply or which will be in surplus
18 supply if they are permitted to be grown on the diverted
19 acreage.

20 “The provisions of this part affording a cooperative
21 plan to wheat producers are necessary in order to mini-
22 mize recurring surpluses and shortages of wheat in inter-
23 state and foreign commerce, to provide for the maintenance of
24 adequate reserve supplies thereof, to provide for an adequate
25 and orderly flow of wheat and its products in interstate and

1 foreign commerce at prices which are fair and reasonable
2 to farmers and consumers, and to prevent acreage diverted
3 from the production of wheat from adversely affecting other
4 commodities in interstate and foreign commerce.”

5 SEC. 411. Section 332 of the Agricultural Adjustment
6 Act of 1938, as amended, is hereby amended by striking out
7 the provisions of such section and by inserting in lieu thereof
8 the following:

9 “NATIONAL MARKETING QUOTA

10 “SEC. 332. (a) Whenever prior to April 15 in any
11 calendar year the Secretary determines that the total supply
12 of wheat in the marketing year beginning in the next succeed-
13 ing calendar year will, in the absence of a marketing quota
14 program, likely be excessive, the Secretary shall proclaim
15 that a national marketing quota for wheat shall be in effect for
16 such marketing year and for either the following marketing
17 year or the following two marketing years, if the Secretary
18 determines and declares in such proclamation that a two-
19 or three-year marketing quota program is necessary to effec-
20 tuate the policy of the Act.

21 “(b) If a national marketing quota for wheat has been
22 proclaimed for any marketing year, the Secretary shall
23 determine and proclaim the amount of the national market-
24 ing quota for such marketing year not earlier than January 1

1 or later than April 15 of the calendar year preceding
2 the year in which such marketing year begins. The amount
3 of the national marketing quota for wheat for any marketing
4 year shall be an amount of wheat which the Secretary esti-
5 mates (i) will be utilized during such marketing year for
6 human consumption in the United States as food, food prod-
7 ucts, and beverages, composed wholly or partly of wheat,
8 (ii) will be utilized during such marketing year in the United
9 States for seed, (iii) will be exported either in the form of
10 wheat or products thereof, and (iv) as the average amount
11 which was utilized as livestock (including poultry) feed in
12 the marketing years beginning in 1959 and 1960; less
13 (A) an amount of wheat equal to the estimated imports of
14 wheat into the United States during such marketing year and,
15 (B) if the stocks of wheat owned by the Commodity
16 Credit Corporation are determined by the Secretary to be
17 excessive, an amount of wheat, not to exceed 16 per centum
18 of items (i), (ii), (iii), and (iv) above, determined by the
19 Secretary to be a desirable reduction in such marketing year
20 in such stocks to achieve the policy of the Act: *Provided*,
21 That if the Secretary determines that the total stocks of
22 wheat in the Nation are insufficient to assure an adequate

1 carryover for the next succeeding marketing year, the na-
2 tional marketing quota otherwise determined shall be in-
3 creased by the amount the Secretary determines to be
4 necessary to assure an adequate carryover.

5 “(c) If, after the proclamation of a national marketing
6 quota for wheat for any marketing year, the Secretary has
7 reason to believe that, because of a national emergency or
8 because of a material increase in the demand for wheat, the
9 national marketing quota should be terminated or the amount
10 thereof increased, he shall cause an immediate investigation
11 to be made to determine whether such action is necessary
12 in order to meet such emergency or increase in the demand
13 for wheat. If, on the basis of such investigation, the Secre-
14 tary finds that such action is necessary, he shall immediately
15 proclaim such finding and the amount of any such increase
16 found by him to be necessary and thereupon such national
17 marketing quota shall be so increased or terminated. In case
18 any national marketing quota is increased under this sub-
19 section, the Secretary shall provide for such increase by
20 increasing acreage allotments established under this part by a
21 uniform percentage.”

1 SEC. 412. Section 333 of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby amended to read as fol-
3 lows:

4 “NATIONAL ACREAGE ALLOTMENT

5 “SEC. 333. Whenever the amount of the national
6 marketing quota for wheat is proclaimed for any marketing
7 year, the Secretary at the same time shall proclaim a na-
8 tional acreage allotment for the crop of wheat planted for
9 harvest in the calendar year in which such marketing year
10 begins. The amount of the national acreage allotment for
11 any crop of wheat shall be the number of acres which the
12 Secretary determines on the basis of expected yields and
13 expected underplantings of farm acreage allotments will,
14 together with (1) the expected production of wheat
15 on the increases in acreage allotments for farms based upon
16 small-farm base acreages pursuant to section 335, and (2)
17 the expected production on increased acreages resulting from
18 the small-farm exemption pursuant to section 335, make
19 available a supply of wheat equal to the national marketing
20 quota for wheat for such marketing year.”

21 SEC. 413. Section 334 of the Agricultural Adjustment
22 Act of 1938, as amended, is further amended as follows:

23 (1) By striking out “ten” wherever it appears in
24 subsections (a) and (b) thereof and by inserting in
25 lieu thereof “five”.

(2) By amending subsection (e) thereof by inserting the following sentence immediately following the eighth sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support."

(3) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(4) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(5) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87-357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

GEOGRAPHICAL APPLICABILITY

SEC. 414. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end of section 334 thereof the

1 following new subsection: “(i) This part III shall be appli-
2 cable to the continental United States excluding Alaska.”

3 SEC. 415. Section 335 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended to read as
5 follows:

6 “SMALL FARM EXEMPTION

7 “SEC. 335. Notwithstanding any other provision of this
8 part, no farm marketing quota for any crop of wheat shall
9 be applicable to any farm with a base of fifteen acres or less
10 (hereinafter called ‘small-farm base acreage’) if the acreage
11 of such crop of wheat on the farm does not exceed the small-
12 farm base acreage determined for the farm, unless the owner
13 or operator of the farm elects in writing on a form and within
14 the time prescribed by the Secretary to be subject to the
15 farm acreage allotment and marketing quota. For the pur-
16 poses of this section, the small-farm base acreage for a farm
17 shall be the average acreage of the crops of wheat planted
18 for harvest in the calendar years 1957, 1958, 1959, 1960,
19 and 1961, with adjustments for abnormal weather conditions,
20 established crop-rotation practices on the farm, and such
21 other factors as the Secretary determines should be con-
22 sidered for the purpose of establishing a fair and equitable
23 small-farm base acreage. If the owner or operator elects

1 to be subject to the farm acreage allotment and
2 marketing quota the acreage allotment for the farm shall
3 be the larger of (i) the allotment otherwise deter-
4 mined for the farm, or (ii) the small-farm base acreage for
5 the farm established on the basis of the crops for the calendar
6 years 1957, 1958, 1959, 1960, and 1961, reduced by
7 the same percentage by which the national acreage allotment
8 for the crop is reduced below fifty-five million acres. If
9 the owner or operator of any such farm fails to make such
10 election with respect to any crop of wheat, (i) for the pur-
11 poses of Public Law 74, Seventy-seventh Congress (7 U.S.C.
12 1340), as amended, the farm acreage allotment for such
13 crop of wheat shall be deemed to be the larger of the acreage
14 allotment or the small-farm base acreage determined for the
15 farm, (ii) the land-use provisions of section 339 shall be in-
16 applicable to the farm, (iii) such crop of wheat shall not be
17 eligible for price support, and (iv) wheat marketing certif-
18 icates applicable to such crop shall not be issued with respect
19 to the farm. The additional acreage required to provide
20 acreage allotments for farms based upon small-farm base
21 acreages under this section shall be in addition to National,
22 State, and county acreage allotments.”

1 SEC. 416. Section 336 of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby amended to read as
3 follows:

4 “REFERENDUM

5 “SEC. 336. If a national marketing quota for wheat for
6 one, two, or three marketing years is proclaimed, the Secre-
7 tary shall, not later than sixty days after such proclamation
8 is published in the Federal Register, conduct a referendum,
9 by secret ballot, of farmers to determine whether they favor
10 or oppose marketing quotas for the marketing year or years
11 for which proclaimed. Any producer who has a farm acre-
12 age allotment shall be eligible to vote in any referendum
13 held pursuant to this section, except a producer who has a
14 small-farm base acreage for such crop of wheat and who
15 does not elect, pursuant to section 335, to be subject to the
16 farm marketing quota. The Secretary shall proclaim the re-
17 sults of any referendum held hereunder within thirty days
18 after the date of such referendum, and if the Secretary de-
19 termines that more than one-third of the farmers voting in
20 the referendum voted against marketing quotas, the Secre-
21 tary shall proclaim that marketing quotas will not be in effect
22 with respect to the crop of wheat produced for harvest in
23 the calendar year following the calendar year in which the
24 referendum is held. If the Secretary determines that two-
25 thirds or more of the farmers voting in a referendum approve

1 marketing quotas for a period of two or three marketing
2 years, no referendum shall be held for the subsequent year or
3 years of such period.”

4 SEC. 417. Section 337 of the Agricultural Adjustment
5 Act of 1938, as amended, is hereby amended by deleting
6 the provisions thereof and substituting the following:

7 “SUBSTITUTION OF FEED GRAINS FOR WHEAT

8 “SEC. 337. Notwithstanding any other provision of law,
9 the Secretary shall permit producers of feed grains to
10 have acreage devoted to the production of feed grains consid-
11 ered as devoted to the production of wheat and the Secre-
12 tary shall permit producers of wheat to have acreage de-
13 voted to the production of wheat considered as devoted to
14 the production of feed grains, as the Secretary determines
15 will not adversely affect the operation of this program.”

16 SEC. 418. The Agricultural Adjustment Act of 1938,
17 as amended, is hereby amended by adding after section 338 a
18 new section as follows:

19 “LAND USE

20 “SEC. 339. (a) (1) During any year in which market-
21 ing quotas for wheat are in effect, the producers on any farm
22 (except a new farm receiving an allotment from the reserve
23 for new farms) on which any crop is produced on acreage
24 required to be diverted from the production of wheat shall
25 be subject to a penalty on such crop, in addition to any

1 marketing quota penalty applicable to such crops, as pro-
2 vided in this subsection unless (i) the crop is designated by
3 the Secretary under the provisions of subsection (f) of this
4 section, or (ii) no wheat is produced on the farm, and the
5 producers have not filed an agreement or a statement of
6 intention to participate in the payment program formulated
7 pursuant to subsection (b) of this section. The acreage
8 required to be diverted from the production of wheat on the
9 farm shall be an acreage of cropland equal to the number
10 of acres determined by multiplying the farm acreage allot-
11 ment by the diversion factor determined by dividing the
12 number of acres by which the national acreage allotment is
13 reduced below fifty-five million acres by the number of acres
14 in the national acreage allotment. The actual production of
15 any crop subject to penalty under this subsection shall be
16 regarded as available for marketing and the penalty on such
17 crop shall be computed on the actual acreage of such crop
18 at the rate of 65 per centum of the parity price per bushel
19 of wheat as of May 1 of the calendar year in which such
20 crop is harvested, multiplied by the normal yield of wheat
21 per acre established for the farm. Until the producers on
22 any farm pay the penalty on such crop, the entire crop of
23 wheat produced on the farm and any subsequent crop of
24 wheat subject to marketing quotas in which the producer
25 has an interest shall be subject to a lien in favor of the United

1 States for the amount of the penalty. Each producer having
2 an interest in the crop or crops on acreage diverted or
3 required to be diverted from the production of wheat shall
4 be jointly and severally liable for the entire amount of the
5 penalty. The persons liable for the payment or collection of
6 the penalty under this section shall be liable also for interest
7 thereon at the rate of 6 per centum per annum from the date
8 the penalty becomes due until the date of payment of such
9 penalty.

10 “(2) The Secretary may require that the acreage on
11 any farm diverted from the production of wheat be land
12 which was diverted from the production of wheat in the
13 previous year, to the extent he determines that such require-
14 ment is necessary to effectuate the purposes of this subtitle.

15 “(3) The Secretary may permit the diverted acreage
16 to be grazed in accordance with regulations prescribed by
17 the Secretary.

18 “(b) The Secretary is authorized to formulate and carry
19 out a program with respect to the 1963, 1964, and 1965
20 crops of wheat under which, subject to such terms and con-
21 ditions as he determines are desirable to effectuate the pur-
22 poses of this section, payments shall be made in amounts
23 determined by the Secretary to be fair and reasonable with
24 respect to acreage diverted pursuant to subsection (a) of this
25 section. Payments shall be in an amount not to exceed the

1 estimated normal production of wheat for the acreage di-
2 verted, multiplied by 50 per centum of the estimated basic
3 county support rates for wheat in the case of the 1963 crop,
4 40 per centum of the estimated basic county support rate for
5 wheat in the case of the 1964 crop, and 30 per centum of
6 the estimated basic county support rate for wheat in the case
7 of the 1965 crop: multiplied, (1) in the case of the 1963 crop,
8 by 50 per centum of the higher of the estimated basic county
9 support rate for wheat or the national average support rate
10 for wheat, (2) in the case of the 1964 crop, by 40 per centum
11 of the higher of such support rates, and (3) in the case of the
12 1965 crop, by 30 per centum of the higher of such support
13 rates. The Secretary may permit producers on any farm
14 to divert from the production of wheat an acreage, in
15 addition to the acreage diverted pursuant to subsection (a),
16 equal to 20 per centum of the farm acreage allotment for
17 wheat: *Provided*, That the producers on any farm may, at
18 their election, divert such acreage in addition to the acreage
19 diverted pursuant to subsection (a), as will bring the total
20 acreage diverted on the farm to fifteen acres. Such program
21 shall require (1) that the diverted acreage shall be devoted to
22 conservation uses approved by the Secretary; (2) that the
23 total acreage of cropland on the farm devoted to soil-
24 conserving uses, including summer fallow and idle land but
25 excluding the acreage diverted as provided above, and acre-

1 age diverted under the land-use provisions for feed grains
2 pursuant to section 360j, shall be not less than the total
3 average acreage of cropland devoted to soil-conserving uses
4 including summer fallow and idle land on the farm during
5 a representative period, as determined by the Secretary,
6 adjusted to the extent the Secretary determines appropriate
7 for (i) abnormal weather conditions or other factors adversely
8 affecting production, (ii) established crop-rotation practices
9 on the farm, (iii) participation in other Federal farm programs,
10 (iv) unusually high percentage of land on the farm devoted
11 to conserving uses, and (v) other factors which the Secre-
12 tary determines should be considered for the purpose of
13 establishing a fair and equitable soil-conserving acreage for
14 the farm; and (3) that the producer shall not knowingly
15 exceed (i) any farm acreage allotment in effect for any
16 commodity produced on the farm, and (ii) except as the
17 Secretary may by regulations prescribe, with the farm acre-
18 age allotments on any other farm for any crop in which the
19 producer has a share. The producers on a new farm shall
20 not be eligible for payments hereunder. Payments may be
21 made in cash or in wheat. The Secretary shall provide for
22 the sharing of payment among producers on the farm on
23 a fair and equitable basis. The following factors shall be
24 given consideration in arriving at the division of payment:
25 “(1) The basis on which producers would have

1 shared in the production of wheat had wheat been pro-
2 duced on the diverted acreage;

3 “(2) The savings or benefits accruing to each pro-
4 ducer on the diverted acreage;

5 “(3) The respective contribution of each producer
6 to the establishment and maintenance of the conservation
7 use on the acreage designated as diverted from produc-
8 tion; and

9 “(4) The respective relationship of the diverted
10 acreage and increased conservation acreage to the vari-
11 ous ownership tracts comprising a farm.

12 “(c) Where a producer is not entitled to receive full
13 payment under the program formulated under subsection
14 (b) of this section because of unintentional failure to comply
15 with the terms and conditions of the program, the Secretary
16 is authorized to make partial payment to the producer
17 proportionate to the performance rendered.

18 “(d) Not to exceed 50 per centum of any payment to
19 producers under subsection (b) of this section may be made
20 in advance of determination of performance.

21 “(e) If the Secretary permits the diverted acreage to be
22 grazed before October 1 or after April 1, no payment shall
23 be made for the acreage which is grazed.

24 “(f) The Secretary may permit the diverted acreage to
25 be devoted to the production of guar, sesame, safflower, sun-

1 flower, castor beans and flax when such crops are not in sur-
2 plus supply and will not be in surplus supply if permitted to
3 be grown on the diverted acreage, subject to the condition
4 that payment with respect to diverted acreage devoted to
5 any such crop shall be at a rate determined by the Secre-
6 tary to be fair and reasonable taking into consideration the
7 use of such acreage for the production of such crops: *Pro-*
8 *vided*, That in no event shall the payment exceed one-half
9 the rate which would otherwise be applicable if such acreage
10 were devoted to conservation uses.

11 “(g) The program formulated pursuant to subsection
12 (b) of this section may include such terms and conditions,
13 in addition to those specifically provided for herein, as the
14 Secretary determines are desirable to effectuate the purposes
15 of this section.

16 “(h) The Secretary is authorized to promulgate such
17 regulations as may be desirable to carry out the provisions of
18 this section.

19 “(i) The Commodity Credit Corporation is author-
20 ized to utilize its capital funds and other assets for the purpose
21 of making the payments authorized in this section and to pay
22 administrative expenses necessary in carrying out this sec-
23 tion during the period ending June 30, 1963. There is
24 authorized to be appropriated such amounts as may be
25 necessary thereafter to pay such administrative expenses.

1 “(j) Notwithstanding any other provision of law,
2 performance rendered in good faith in reliance upon action or
3 advice of an authorized representative of the Secretary may
4 be accepted as meeting the requirements of this section, or of
5 section 124 of the Agricultural Act of 1961 (75 Stat. 297–
6 298), and payment may be made therefor in accordance with
7 such action or advice to the extent the Secretary deems it
8 desirable in order to provide fair and equitable treatment.”

9 SEC. 419. Public Law 74, Seventy-seventh Congress (7
10 U.S.C. 1340), as amended, is hereby amended as follows:

11 (1) By amending paragraph (1) to read as fol-
12 lows:

13 “(1) The farm marketing quota for any crop of
14 wheat shall be the actual production of the acreage
15 planted to such crop of wheat on the farm less the farm
16 marketing excess. The farm marketing excess shall be
17 an amount equal to twice the normal yield of wheat per
18 acre established for the farm multiplied by the number
19 of acres of such crop of wheat on the farm in excess of
20 the farm acreage allotment for such crop unless the pro-
21 ducer, in accordance with regulations issued by the Sec-
22 retary and within the time prescribed therein, establishes
23 to the satisfaction of the Secretary, the actual production
24 of such crop of wheat on the farm. If such actual pro-
25 duction is so established, the farm marketing excess shall

1 be an amount equal to the actual production of the num-
2 ber of acres of wheat on the farm in excess of the farm
3 acreage allotment for such crop. In determining the
4 farm marketing quota and farm marketing excess, (1)
5 any acreage of wheat remaining after the date prescribed
6 by the Secretary for the disposal of excess acres of wheat
7 shall be included as acreage of wheat on the farm, and
8 the production thereof shall be appraised in such manner
9 as the Secretary determines will provide a reasonably
10 accurate estimate of such production, and (2) any acre-
11 age of any crop of wheat classified as feed grain acreage
12 pursuant to section 360i of the Agricultural Adjust-
13 ment Act of 1938, as amended, shall not be considered
14 to be acreage planted to wheat. Any acreage of wheat
15 disposed of in accordance with regulations issued by
16 the Secretary prior to such date as may be prescribed
17 by the Secretary shall be excluded in determining the
18 farm marketing quota and farm marketing excess. Self-
19 seeded (volunteer) wheat shall be included in deter-
20 mining the acreage of wheat. Marketing quotas for
21 any marketing year shall be in effect with respect to
22 wheat harvested in the calendar year in which such mar-
23 keting year begins notwithstanding that the wheat is
24 marketed prior to the beginning of such marketing
25 year.”

1 (2) By amending paragraph (2) to read as fol-
2 lows:

3 “(2) Whenever farm marketing quotas are in effect
4 with respect to any crop of wheat, the producers on a
5 farm shall be subject to a penalty on the farm marketing
6 excess of wheat at a rate per bushel equal to 65
7 per centum of the parity price per bushel of wheat as of
8 May 1 of the calendar year in which the crop is har-
9 vested. Each producer having an interest in the crop
10 of wheat on any farm for which a farm marketing excess
11 of wheat is determined shall be jointly and severally
12 liable for the entire amount of the penalty on the farm
13 marketing excess.”

14 (3) By amending paragraph (3) to read as follows:

15 “(3) The farm marketing excess for wheat shall be
16 considered as available for marketing, and the penalty
17 shall be computed upon twice the normal production
18 of the excess acreage. Whereupon the application of
19 the producer for an adjustment of penalty, it is shown
20 to the satisfaction of the Secretary that the actual pro-
21 duction of the excess acreage is less than twice the
22 normal production thereof, the difference between the
23 amount of the penalty as computed upon the basis of

twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer."

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By amending the first sentence of paragraph (8) redesignated by this section as paragraph (7) to read as follows: "Until the penalty is paid on the marketing excess of wheat each bushel of wheat produced on the farm which is sold by the producer to any person within the United States shall be subject

1 to the penalty as specified in paragraph (2) of this
2 resolution.”; and by adding at the end of such para-
3 graph the following sentence:

4 “If the buyer fails to collect such penalty, such
5 buyer and all persons entitled to share in the wheat
6 marketed from the farm or the proceeds thereof shall
7 be jointly and severally liable for such penalty.”

8 (9) By repealing paragraph (12), and by adding
9 the following new paragraphs to follow paragraph (11),
10 redesignated by this section as paragraph (10) :

11 “(11) The persons liable for the payment or col-
12 lection of the penalty on any amount of wheat shall
13 be liable also for interest thereon at the rate of 6 per
14 centum per annum from the date the penalty becomes
15 due until the date of payment of such penalty.

16 “(12) If marketing quotas for wheat are not in
17 effect for any marketing year, all previous marketing
18 quotas applicable to wheat shall be terminated, effective
19 as of the first day of such marketing year. Such termi-
20 nation shall not abate any penalty previously incurred

1 by a producer or relieve any buyer of the duty to remit
2 penalties previously collected by him.”

3 SEC. 420. Section 371 of the Agricultural Adjustment
4 Act of 1938, as amended, is hereby amended as follows:

5 (1) Subsection (a) is amended by deleting “corn,
6 wheat,” in the first sentence thereof.

7 (2) The first sentence of subsection (b) is amended
8 by striking out “any national acreage allotment for corn
9 or”, “wheat,” and “in order to effect the declared policy
10 of this Act or”.

11 SEC. 421. Section 385 of the Agricultural Adjustment
12 Act of 1938, as amended, is hereby amended by inserting in
13 the first sentence after “parity payment,” the following:
14 “payment under section 339,”.

15 SEC. 422. The amendments to the Agricultural Adjust-
16 ment Act of 1938, as amended, and to Public Law 74, Sev-
17 enty-seventh Congress, as amended, made by sections 410
18 through 421 of this Act shall be in effect only with respect to
19 programs applicable to the crops planted for harvest in the
20 calendar year 1963 or any subsequent year and the market-

1 ing years beginning in the calendar year 1963 or any sub-
2 sequent year.

3 WHEAT MARKETING ALLOCATION PROGRAM

4 SEC. 423. Title III of the Agricultural Adjustment Act
5 of 1938, as amended, is hereby amended (1) by designating
6 subtitles D and E as subtitles E and F, respectively, and (2)
7 by inserting after subtitle C a new subtitle D as follows:

8 "SUBTITLE D—WHEAT MARKETING ALLOCATION

9 "LEGISLATIVE FINDINGS

10 "SEC. 379a. Wheat, in addition to being a basic food,
11 is one of the great export crops of American agriculture and
12 its production for domestic consumption and for export is
13 necessary to the maintenance of a sound national economy
14 and to the general welfare. The movement of wheat from
15 producer to consumer, in the form of the commodity or any
16 of the products thereof, is preponderantly in interstate and
17 foreign commerce. Unreasonably low prices of wheat to
18 producers impair their purchasing power for nonagricultural
19 products and place them in a position of serious disparity
20 with other industrial groups. The conditions affecting the
21 production of wheat are such that without Federal assist-
22 ance, producers cannot effectively prevent disastrously low
23 prices for wheat. It is necessary, in order to assist wheat

1 producers in obtaining fair prices, to regulate the price of
2 wheat used for domestic food and for exports in the manner
3 provided in this subtitle.

4 "WHEAT MARKETING ALLOCATION

5 "SEC. 379b. During any marketing year for which a
6 marketing quota is in effect for wheat, beginning with the
7 marketing year for the 1963 crop, a wheat marketing allo-
8 cation program shall be in effect as provided in this subtitle.
9 Whenever a wheat marketing allocation program is in effect
10 for any marketing year the Secretary shall determine (1)
11 the wheat marketing allocation, which shall be the amount
12 of wheat used during the marketing year for human con-
13 sumption in the United States and exports on which market-
14 ing certificates shall be issued to producers in order to
15 achieve, insofar as practicable, the price and income objec-
16 tives of this subtitle, and (2) the national allocation per-
17 centage which shall be the percentage which the national
18 marketing allocation is of the national marketing quota of
19 wheat during the calendar year in which such marketing
20 year begins. Each farm shall receive a wheat marketing al-
21 location for such marketing year equal to the number of
22 bushels obtained by multiplying the number of acres in the
23 farm acreage allotment for wheat by the estimated yield of

1 wheat for the farm as determined by the Secretary, and
2 multiplying the resulting number of bushels by the national
3 allocation percentage.

4 "MARKETING CERTIFICATES

5 "SEC. 379c. (a) The Secretary shall provide for the is-
6 suance of wheat marketing certificates for each marketing
7 year for which a wheat marketing allocation program is in
8 effect for the purpose of enabling producers on any farm with
9 respect to which certificates are issued to receive, in addition
10 to the other proceeds from the sale of wheat, an amount equal
11 to the value of such certificates. The wheat marketing cer-
12 tificates issued with respect to any farm for any marketing
13 year shall be in the amount of the farm wheat marketing
14 allocation for such year, but not to exceed (i) the actual
15 acreage of wheat planted on the farm for harvest in the
16 calendar year in which the marketing year begins multiplied
17 by the estimated yield of wheat for the farm, plus (ii) the
18 amount of wheat stored to avoid or postpone a marketing
19 quota penalty, which is released from storage during the
20 marketing year on account of underplanting or underproduc-
21 tion. The Secretary shall provide for the sharing of wheat
22 marketing certificates among producers on the farm on the
23 basis of their respective shares in the wheat crop produced on
24 the farm, or the proceeds therefrom.

25 "(b) No producer shall be eligible to receive wheat

1 marketing certificates with respect to any farm for any
2 marketing year in which a marketing quota penalty is
3 assessed for any commodity on such farm or in which the
4 farm has not complied with the land-use requirements of
5 section 339 to the extent prescribed by the Secretary, or in
6 which, except as the Secretary may by regulation prescribe,
7 the producer exceeds the farm acreage allotment on any
8 other farm for any commodity in which he has an interest
9 as a producer.

10 “(c) Whenever a wheat marketing allocation program
11 is in effect for any marketing year, the Secretary shall
12 determine and proclaim for such marketing year the face
13 value per bushel of marketing certificates. The face value
14 per bushel of marketing certificates shall be equal to the
15 amount by which the level of price support for wheat ac-
16 companied by certificates exceeds the level of price support
17 for wheat not accompanied by certificates (noncertificate
18 wheat).

19 “(d) Marketing certificates and transfers thereof shall
20 be represented by such documents, marketing cards, records,
21 accounts, certifications, or other statements or forms as the
22 Secretary may prescribe.

23 “MARKETING RESTRICTIONS

24 “SEC. 379d. (a) All persons are prohibited from acquir-
25 ing marketing certificates from the producer to whom such

1 certificates are issued, unless such certificates are acquired in
2 connection with the acquisition from such producer of a num-
3 ber of bushels of wheat equivalent to the marketing certifi-
4 cates. Marketing certificates shall be transferable only in
5 accordance with regulations prescribed by the Secretary.
6 Any unused certificates held by persons other than the pro-
7 ducer to whom such certificates are issued shall be purchased
8 by Commodity Credit Corporation. Notwithstanding the
9 foregoing provisions of this section, Commodity Credit Cor-
10 poration is authorized to purchase from producers certificates
11 not accompanied by wheat in cases where the Secretary
12 determines that it would constitute an undue hardship to
13 require the producer to transfer his certificates only in con-
14 nection with the disposition of wheat.

15 “(b) During any marketing year for which a wheat
16 marketing allocation program is in effect, (i) all persons
17 engaged in the processing of wheat into food products com-
18 posed wholly or partly of wheat shall, prior to marketing
19 any such product for human food in the United States, ac-
20 quire marketing certificates equivalent to the number of
21 bushels of wheat contained in such product, and (ii) all
22 persons exporting wheat or food products composed wholly
23 or partly of wheat shall prior to such export acquire market-
24 ing certificates equivalent to the number of bushels so
25 exported. Marketing certificates shall be valid to cover only

1 sales or exportations made during the marketing year with
2 respect to which they are issued, and after being once used
3 to cover a sale or export of a food product or an export of
4 wheat shall be void and shall be disposed of in accordance
5 with regulations prescribed by the Secretary.

6 “(c) Upon the giving of a bond or other undertaking
7 satisfactory to the Secretary, and subject to such regulations
8 as he may prescribe, to secure the purchase of and payment
9 for such marketing certificates as may be required, any per-
10 son required to have marketing certificates in order to mar-
11 ket or export a commodity may market any such commodity
12 without having first acquired marketing certificates.

13 “(d) As used in this subtitle, the term ‘food products’
14 means any product to be used for human consumption, in-
15 cluding beverage.

16 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
17 CERTIFICATES

18 “SEC. 379e. For the purpose of facilitating the purchase
19 and sale of marketing certificates, the Commodity Credit
20 Corporation is authorized to issue, buy, and sell marketing
21 certificates in accordance with regulations prescribed by the
22 Secretary. Such regulations may authorize the Corporation
23 to issue and sell certificates in excess of the quantity of cer-
24 tificates which it purchases and in the purchase and sale of
25 marketing certificates to make such discounts and charge

1 such premiums not exceeding 5 per centum of the face
2 value of the certificate as the Secretary shall determine
3 necessary to encourage the purchase and sale of such certifi-
4 cates through commercial channels.

5 "CONVERSION FACTORS

6 "SEC. 379f. The Secretary shall establish conversion
7 factors which shall be used to determine the amount of wheat
8 contained in any food product. The conversion factor for
9 any such food product shall be determined upon the basis of
10 the weight of wheat used in the manufacture of such product.

11 "AUTHORITY TO FACILITATE TRANSITION

12 "SEC. 379g. The Secretary is authorized to take such
13 action as he determines to be necessary to facilitate the tran-
14 sition from the program currently in effect to the program
15 provided for in this subtitle. Notwithstanding any other pro-
16 vision of this subtitle, such authority shall include, but shall
17 not be limited to, the authority to exempt all or a portion of
18 the wheat or food products made therefrom in the channels of
19 trade on the effective date of the program under this subtitle
20 from the marketing restrictions in subsection (b) of section
21 379d, or to sell certificates to persons owning such wheat or
22 food products at such prices as the Secretary may determine.
23 Any such certificate shall be issued by Commodity Credit
24 Corporation.

1 “REPORTS AND RECORDS

2 “SEC. 379h. This section shall apply to warehousemen,
3 processors, and exporters of wheat and food products con-
4 taining wheat, and all persons purchasing, selling, or
5 otherwise dealing in wheat marketing certificates. Any
6 such person shall, from time to time on request of
7 the Secretary, report to the Secretary such information
8 and keep such records as the Secretary finds to be neces-
9 sary to enable him to carry out the provisions of this
10 subtitle. Such information shall be reported and such records
11 shall be kept in such manner as the Secretary shall prescribe.
12 For the purpose of ascertaining the correctness of any report
13 made or record kept, or of obtaining information required to
14 be furnished in any report, but not so furnished, the Secretary
15 is hereby authorized to examine such books, papers, records,
16 accounts, correspondence, contracts, documents, and memo-
17 randums as he has reason to believe are relevant and are
18 within the control of such person.

19 “PENALTIES

20 “SEC. 379i. (a) Any person who violates or attempts
21 to violate or who participates or aids in the violation of any
22 of the provisions of subsection (b) of section 379d of this
23 Act shall forfeit to the United States a sum equal to two
24 times the face value of the marketing certificates involved in

1 such violation. Such forfeiture shall be recoverable in a
2 civil action brought in the name of the United States.

3 “(b) Any person, except a producer who is subject to
4 subsection (c) of this section, who violates or attempts to vio-
5 late or who participates or aids in the violation of any pro-
6 vision of this subtitle, or of any regulation, governing the
7 acquisition, disposition, or handling of marketing certificates
8 or who fails to make any report or keep any record as re-
9 quired by section 379h shall be deemed guilty of a misde-
10 meanor and upon conviction thereof shall be subject to a fine
11 of not more than \$5,000 for each violation.

12 “(c) Any person who, in his capacity as a producer,
13 knowingly violates or attempts to violate or who participates
14 or aids in the violation of any provision of this subtitle, or of
15 any regulation, governing the acquisition, disposition, or
16 handling of marketing certificates or fails to make any report
17 or keep any record as required by section 379h shall, (i) for-
18 feit any right to receive marketing certificates, in whole or in
19 part as the Secretary may determine, with respect to the farm
20 or farms and for the marketing year with respect to which
21 any such act or default is committed, or (ii), if such market-
22 ing certificates have already been issued, pay to the Secretary,
23 upon demand, the amount of the face value of such certifi-
24 cates, or such part thereof as the Secretary may determine.
25 Such determination by the Secretary with respect to the

1 amount of such marketing certificates to be forfeited or the
 2 amount to be paid by such producer shall take into considera-
 3 tion the circumstances relating to the act or default com-
 4 mitted and the seriousness of such act or default.

5 “(d) Any person who falsely makes, issues, alters,
 6 forges, or counterfeits any marketing certificate, or with
 7 fraudulent intent possesses, transfers, or uses any such falsely
 8 made, issued, altered, forged, or counterfeited marketing cer-
 9 tificate, shall be deemed guilty of a felony and upon con-
 10 viction thereof shall be subject to a fine of not more than
 11 \$10,000 or imprisonment of not more than ten years, or
 12 both.

13 “REGULATIONS

14 “SEC. 379j. The Secretary shall prescribe such regula-
 15 tions as may be necessary to carry out the provisions of this
 16 subtitle including but not limited to regulations governing
 17 the acquisition, disposition, or handling of marketing cer-
 18 tificates.”

19 SEC. 424. The Agricultural Act of 1949, as amended,
 20 is amended as follows:

21 (1) By inserting after section 106 the following new
 22 section:

23 “SEC. 107. Notwithstanding the provisions of section
 24 101 of this Act, beginning with the 1963 crop—

25 “(1) price support for wheat accompanied by mar-

1 keting certificates shall be at such level not less than
2 75 per centum or more than 90 per centum of the
3 parity price therefor as the Secretary determines appro-
4 priate taking into consideration the factors specified in
5 section 401 (b) ;

6 “(2) price support for wheat not accompanied by
7 marketing certificates shall be at such level as the Sec-
8 retary determines appropriate taking into consideration
9 competitive world prices of wheat, the feeding value
10 of wheat in relation to feed grains, and the level at
11 which price support is made available for feed grains;

12 “(3) if marketing quotas are in effect for the crop
13 of wheat, price support shall be made available only
14 to cooperators;

15 “(4) no price support shall be made available for
16 any crop of wheat for which marketing quotas are not
17 in effect because of disapproval of quotas by producers;

18 “(5) the level of price support for any crop of
19 wheat for which a national marketing quota is not pro-
20 claimed shall be as provided in section 101; and

21 “(6) a ‘cooperator’ with respect to any crop of
22 wheat produced on a farm shall be a producer who (i)
23 does not knowingly exceed (A) the farm acreage al-
24 lotment for wheat or any other commodity on the farm
25 or (B) except as the Secretary may by regulation pre-

1 scribe, the farm acreage allotment on any other farm
2 for any commodity in which he has an interest as a pro-
3 ducer, and (ii) complies with the land-use requirements
4 of section 339 of the Agricultural Adjustment Act of
5 1938, as amended, to the extent prescribed by the Sec-
6 retary.”

7 (2) By changing the period at the end of the
8 third sentence in section 407 to a colon and adding the
9 following: “*Provided*, That if a wheat marketing alloca-
10 tion program is in effect, the current support price for
11 wheat shall be the support price for wheat accompanied
12 by a certificate and wheat sold shall be accompanied
13 by a certificate.”

14 (3) By adding at the end of section 407 the fol-
15 lowing new sentence: “Notwithstanding any other pro-
16 vision hereof, if a marketing quota for wheat for any
17 marketing year is disapproved by producers, the Com-
18 modity Credit Corporation may sell for unrestricted use
19 from its stocks at market prices during the marketing
20 year not to exceed two hundred million bushels of
21 wheat.”

22 SUBTITLE C—DAIRY

23 SEC. 430. The current rate of production and marketing
24 of milk in the continental United States, excluding Alaska,
25 is such as will result in excessive and burdensome supplies

1 of milk and other dairy products during the marketing year
2 ending March 31, 1963.

3 In order to afford producers the opportunity and the
4 means by which they can on a compensated basis voluntarily
5 adjust their marketings of milk during the marketing year
6 ending March 31, 1963, more nearly to equal demand and
7 thus reduce Government purchases under its price support
8 program, the Secretary of Agriculture is hereby authorized,
9 through the Commodity Credit Corporation, to carry out for
10 the marketing year ending March 31, 1963, an emergency
11 dairy surplus reduction payments program as set forth in
12 the following sections of this subtitle.

13 SEC. 431. The Commodity Credit Corporation is hereby
14 authorized to make surplus reduction payments to producers
15 in continental United States, excluding Alaska, who agree
16 to reduce, during any one or more quarterly marketing
17 periods of the marketing year ending March 31, 1963, their
18 marketings to a level not (i) less than 10 per centum or
19 (ii) more than the larger of 25 per centum or seven thou-
20 sand five hundred pounds of milk below their normal
21 marketing levels established pursuant to section 434 of this
22 Act for each such quarterly marketing period: *Provided*,
23 That Commodity Credit Corporation shall, to the maximum
24 extent practicable, limit such agreements so as not to effect

1 adjustments in any dairy district in excess of 10 per centum
2 of the estimated total marketings by all producers in such
3 district during the preceding marketing year. For this pur-
4 pose, the Secretary shall divide the continental United States,
5 excluding Alaska, into fifteen dairy districts each having
6 therein approximately the same proportion of total milk pro-
7 duction. Such payments shall not exceed (i) \$2.50 per
8 hundredweight of milk, basis 3.82 per centum butterfat con-
9 tent, (ii) such rates as the Secretary determines will effec-
10 tuate voluntary reduction in marketings by producers, or
11 (iii) the cost of acquiring such milk in the form of dairy
12 products had such milk been marketed. A producer who fails
13 to reduce his marketings to the extent required by his agree-
14 ment shall be eligible to the surplus reduction payment on the
15 quantity by which he actually reduced his marketings below
16 his normal marketing level, provided he reduces by as much
17 as 10 per centum of his normal marketing level, but the
18 amount of such payment shall be reduced by an amount
19 equal to 20 per centum of what would have been the pay-
20 ment on the quantity of milk which he failed to reduce.
21 Agreements entered into hereunder may contain such terms
22 and conditions as the Secretary determines necessary to
23 effectuate the purposes of the emergency dairy surplus re-
24 duction payments program and to assure that a producer's

1 reduction in marketings is not offset through a transfer of
2 his milk cows to another producer for the production and
3 marketing of milk.

4 SEC. 432. The Secretary shall establish a normal mar-
5 keting level for each producer in the continental United
6 States, excluding Alaska, who desires to enter into an
7 agreement with Commodity Credit Corporation pursuant
8 to section 433 of this Act. Such normal marketing level
9 shall be the number of pounds of milk, or the number of
10 pounds of milkfat, or such units of dairy products as the
11 Secretary may deem appropriate for the administration of
12 this subtitle which is the lower of (i) the producer's mar-
13 ketings during the calendar year 1961 or (ii) the Secre-
14 tary's estimate of what would be marketed in a calendar
15 year by the producer based on the rate of his marketings
16 when he enters into the agreement with Commodity Credit
17 Corporation, adjusted for seasonal variation. In establish-
18 ing a normal marketing level, the Secretary shall make
19 such adjustments in the producer's 1961 marketings as he
20 deems necessary for food, drought, disease of herd, personal
21 health, or other abnormal conditions affecting production or
22 marketing, including the fact that the producer may have
23 commenced production and marketing after January 1,
24 1961. A producer's normal marketing level for the mar-
25 keting year shall be apportioned by the Secretary among

1 quarterly marketing periods thereof in accordance with the
2 producer's marketing pattern in 1961, subject to such ad-
3 justments as the Secretary determines necessary to enable the
4 producer to carry out his herd management plans for the
5 marketing year. The quantity thus apportioned to a quar-
6 terly marketing period shall be the producer's normal mar-
7 keting level for such period.

8 SEC. 433. The Secretary shall prescribe such conver-
9 sion factors as he deems necessary for use in determining
10 the quantity of milk marketed by producers who market
11 their milk in the form of farm-separated cream, butterfat,
12 and other dairy products.

13 SEC. 434. The quantity of milk reduced by a producer
14 pursuant to his agreement under this Act shall be considered
15 as having been produced and marketed by him for the pur-
16 pose of determining his production or marketing history un-
17 der any farm program in which such history may become a
18 factor. A producer may, to such extent and subject to such
19 terms and conditions as the Secretary may prescribe, trans-
20 fer his normal marketing level, or any part thereof, to any
21 other producer or prospective new producer who agrees to
22 utilize such normal marketing level for the disposition in
23 commercial channels of milk, butterfat, or dairy products
24 produced in the same State as that in which the transferor
25 engaged in production or any State adjacent thereto. A

1 producer who moves from one area to another and there
2 engages in the production and marketing of milk may take
3 with him all or any portion of his normal marketing level.

4 SEC. 435. (a) The Secretary shall prescribe such regu-
5 lations as are necessary for the enforcement and the effective
6 administration of this subtitle.

7 (b) Costs incurred in the carrying out of the provisions
8 of this subtitle shall be borne by the Commodity Credit Cor-
9 poration and shall be considered as nonadministrative ex-
10 penses of the Corporation.

11 SEC. 436. Whenever normal marketing levels are estab-
12 lished under this subtitle, notwithstanding any provision of
13 the Agricultural Marketing Agreement Act of 1937 (7
14 U.S.C. 601 et seq.), any order issued under section 8c
15 thereof may in addition to the provisions in section 8c (5)
16 and (7) contain provisions for an adjustment in the uniform
17 price for producers receiving surplus reduction payments for
18 marketings below their normal marketing level. Under such
19 provisions the total payments to such producers under an
20 order shall be equal to (1) the uniform price multiplied by
21 their normal marketing level minus (2) the lowest class
22 price under the order multiplied by the amount by which
23 such producers have reduced marketings below their normal
24 marketing level. In the computation of the uniform price
25 there shall be included, at the lowest class price, the volume

1 of milk upon which producers will be entitled to marketing
2 adjustment payments. For the purposes of this section a
3 producer's normal marketing level shall be apportioned on
4 a monthly basis. In the case of a producer, part of whose
5 normal marketing level is based on marketings which were
6 not subject to regulation under the order during the represen-
7 tative period, the Secretary shall apportion such producer's
8 normal marketing level in accordance with his deliveries of
9 milk in such representative period and the reduction in de-
10 liveries from the amount apportioned to the marketing area
11 shall be considered in the calculation of the uniform price
12 and payment under such order. The incorporation of pro-
13 visions in an order hereunder shall be subject to the same
14 procedural requirements of the Act as other provisions under
15 section 8c.

16 SEC. 437. No person engaged in the purchase or han-
17 dling of milk, milk fat, or dairy products shall discriminate
18 against any producer who enters into an agreement with the
19 Commodity Credit Corporation pursuant to this Act. The
20 Commodity Credit Corporation shall not purchase dairy
21 products from any person whom the Secretary determines
22 practices such discrimination. The several district courts of
23 the United States shall have original jurisdiction to hear and
24 determine controversies arising under this section, without
25 regard to the amount in controversy, and to enjoin and

1 restrain any person or persons from discriminating or con-
2 spiring to discriminate against any producer in violation of
3 this section.

4 TITLE V—GENERAL PROVISIONS

5 SEC. 501. The Consolidated Farmers Home Admin-
6 istration Act of 1961 (75 Stat. 307) is amended as follows:

7 (1) By striking out the period at the end of sec-
8 tion 304 and inserting a comma and the following:
9 “including, subject to all the provisions of section 302,
10 recreational uses and facilities.”;

11 (2) By inserting in section 306 (a) after the words
12 “soil conservation practices” the words “shifts in land
13 use including the development of recreational facilities”,
14 and by inserting after the word “drainage” the words
15 “or sewer”;

16 (3) By striking out in section 309 (f) (1) the
17 figure “\$10,000,000” and inserting in lieu thereof the
18 figure “\$25,000,000”; and

19 (4) By inserting in section 312 after the words
20 “and conservation” the words “including recreational
21 uses and facilities”.

22 SEC. 502. If any provision of this Act is declared uncon-

1 stitutional, or the applicability thereof to any person or
2 circumstance is held invalid, the validity of the remainder of
3 this Act and the applicability thereof to other persons and
4 circumstances shall not be affected thereby.

87TH CONGRESS
2D Session

H. R. 11222

[Report No. 1691]

A BILL

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

By Mr. COOLEY

APRIL 11, 1962

Referred to the Committee on Agriculture

MAY 16, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

May 17, 1962

3. **MARKETING PENALTIES.** Passed as reported H. R. 10594, to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that no penalty shall be collected with respect to the marketing of any agricultural commodity grown for experimental purposes by any publicly owned agricultural experiment station or by any privately owned nonprofit agricultural research and experiment station or foundation. pp. 7937-8, 7939-40
4. **FARM PROGRAM.** Rep. Shriver called for a "thorough investigation of the Agricultural Stabilization and Conservation Service of the U. S. Department of Agriculture." p. 7934
5. **TAXATION; FARM.** Rep. Findley demanded proof of the "charge" made by the Internal Revenue Service that "American farmers fail to report an estimated \$4 billion a year in taxable income," saying, "When the heavy hand of government also gives farmers a slap alleging colossal tax evasion, that calls for proof or apology." p. 7934
6. **TRANSPORTATION.** The Post Office and Civil Service Committee issued a report on improving Transportation Statistics (H. Rept. 1700). p. 7960
7. **PERSONNEL.** Received from GAO a report on a review of certain aspects of operations of the Federal employees' group life insurance program which is administered by the Civil Service Commission. p. 7960
Received from Interior a proposed bill "to authorize the Secretary of the Interior to employ aliens in a scientific or technical capacity"; to Interior and Insular Affairs Committee. p. 7960
The Education and Labor Committee reported without amendment H. R. 11677, to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination (H. Rept. 1714). p. 7960
The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 11753, to provide for the payment of certain amounts and restoration on employment benefits to certain Government officers and employees improperly deprived thereof (p. D-382). The Post Office and Civil Service Committee appointed several ad hoc subcommittees to consider a number of bills. p. D382
Rep. Lane said, "I join with many of my colleagues in supporting a real pay increase for Federal employees retroactive to January 1, 1962." p. 7934
8. **EDUCATION.** Rep. Harvey, Ind., discussed the land-grant college system, saying, "this month marks a century of progress insofar as land-grant colleges in the United States are concerned." pp. 7954-5
9. **COMMON MARKET.** Rep. Reuss discussed the expansion of the European Economic Community, saying, "in our preoccupation with expanding the Common Market, we have been pinning our hopes on the wrong group, pursuing the wrong goal, at the wrong time. It is entirely in order for the Congress to debate whether the United States should not start now to build the free world community." pp. 7956-9
10. **LEGISLATIVE PROGRAM.** Rep. Moss announced that H. R. 7596, the Navajo Indian irrigation project, will be considered on Tues., May 22. p. 7935
11. **ADJOURNED** until Mon., May 21. p. 7960

SENATE

12. AGRICULTURAL IMPORTS. By a vote of 80 to 3, passed with amendments H. R. 10788, to amend Sec. 204 of the Agricultural Act of 1956 so as to authorize the President to regulate imports of textiles and textile products from nonparticipating countries of multilateral trade agreements (pp. 7982-8004). A similar bill, S. 3006 was indefinitely postponed (p. 8004). Conferees were appointed (p. 4004).

By a vote of 62 to 23, agreed to an amendment by Sens. Humphrey and Morse, in the nature of a substitute for a proposed amendment by Sen. Mundt, to provide that in addition to agreements in regard to cotton and cotton textiles the President shall negotiate agreements with representatives of foreign nations limiting in like manner the export to the U. S. from foreign countries of beef and beef products, pork and pork products, fresh and frozen lamb, poultry and poultry products, dairy products, timber and timber products, when in his judgment such imports seriously affect domestic producers (pp. 7982-99). The Mundt amendment as amended by the Humphrey-Morse amendment was agreed to by a vote of 62 to 24 (p. 7999).

By a vote of 23 to 63, rejected a motion by Sen. Mundt to table the Humphrey-Morse substitute for the Mundt amendment. p. 7998

13. AMERICAN SAMOA. Passed as reported H. R. 10062, to authorize the Secretary of the Interior to request heads of Federal departments and agencies to extend, without reimbursement, scientific and technical assistance to promote the welfare of American Samoa. Also, the bill extends the school lunch program to American Samoa. p. 8047

14. FARM BILL. S. 3225, the farm bill, was made the unfinished business. p. 8049

15. FARM PROGRAM. The "Daily Digest" states that the Permanent Subcommittee on Investigations of the Government Operations Committee "met in executive session and voted unanimously to hold hearings in connection with the Billie Sol Estes case, date of which hearings is as yet undetermined." p. D379

Sen. Williams, Del., defended his recent statement of "the highly improper manner in which an employee of the Department of Agriculture was carted off, or railroaded to a mental institution," and inserted several items on this matter. pp. 8065-71

16. FEED GRAINS. Sen. Proxmire discussed why he believed "it would be a tragic mistake to enact a mandatory feed grains program as proposed by the Department of Agriculture," urged extension for 1 year of the present feed grains program, and inserted his letter to the Secretary on the matter. pp. 8071-7

17. HOSPITAL INSURANCE. Sen. McNamara stated that the L. B. Anderson bill and related legislation calling for a Federal program of hospital insurance for America's older people "will mean even more to farmers -- young as well as old -- than it will to city people," and inserted an article on its importance to rural people. pp. 8061-3

18. PUBLIC WORKS. Sen. Gruening discussed his proposed amendment to S. 2965, the standby public works acceleration bill, to increase the amounts authorized to be appropriated to "the same amounts authorized to be appropriated for foreign economic assistance," and inserted several items to support his proposal. pp. 8053-61

19. BEEF GRADING. Sen. Javits referred to a recent article, "Consumers Purchases of Beef," relating "to the fat content as affected by the grading practices of the Department of Agriculture and the resultant consequences to be considered, the health of consumers," and inserted a letter from the Secretary discussing the points raised in the article. pp. 8050-3
20. RECLAMATION. Passed as reported S. 2179, to authorize the Secretary of the Interior to amend repayment contracts with irrigation districts to provide for block development where that was not originally provided for. pp. 8036-7
21. PERSONNEL. Passed with amendments S. 2919, to authorize certain retired personnel of the Federal Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries. pp. 8004-29
22. FORESTRY. Sen. Magnuson announced that he intends to move to suspend the rules on H. R. 10802, the Interior Department and related agencies appropriation bill, in order to propose an amendment providing \$6 million for forest access roads. p. 7967
Passed without amendment H. R. 9097, to authorize the Secretary of Interior to sell certain public lands along the Snake River in Idaho which were omitted from surveys. This bill will now be sent to the President.
Consideration of an identical bill, S. 1485, was indefinitely postponed. p. 8037
23. SUGAR. Agreed to a unanimous consent request by Sen. Proxmire that the sugar bill (S. 3290) be allowed to stay at the desk until Wed., for additional co-sponsors. pp. 7967-8
24. LIVESTOCK. Sen. McGee said that "meatpackers no longer are necessarily the manipulators of the prices of livestock, as once was the case, as compared with the chainstore operators, who today purchase so large a percentage of all livestock products." p. 7986
25. HOMESTEAD. Sen. Burdick discussed the centennial of the Homestead Act, saying, "I want to pay tribute today to these stouthearted individuals, who in order to establish a new start, were willing to risk the uncertainties of a new, raw, sparsely settled region." p. 7973
26. AREA REDEVELOPMENT. Sen. Muskie inserted a commendatory article, "Depressed Areas Law Operations; Government Loan Aids Maine Plant." pp. 7973-4
27. PASSED OVER the following bills:
S. 819, at the request of Sen. Engle, to provide for suitable works of art in Federal buildings. p. 8004
S. 2965, at the request of Sen. Engle, to provide standby authority to accelerate public works programs. p. 8034
H. R. 8355, at the request of Sen. Engle, to authorize Federal agencies to grant easements in, over, or upon real property of the U. S. p. 8035
S. 3225, at the request of Sen. Engle, the omnibus farm bill. p. 8035
H. R. 10162, at the request of Sen. Engle, to amend the Bretton Woods Agreements Act to authorize U. S. participation in plans to the International Monetary Fund. pp. 8046-7
H. R. 10802, at the request of Sen. Carlson, the Interior Department and related agencies appropriation bill. p. 8049
28. ADJOURNED until Mon., May 21. p. 8077

ITEMS IN APPENDIX

29. PUBLIC WORKS. Extension of remarks of Sen. Robertson and Rep. Pelly inserting an article, "Two Billion Dollars Through the Back Door," criticizing "back-door spending approach" for public works programs. pp. A3682-3, A3701-2
30. FORESTS. Extension of remarks of Sen. Byrd, W. Va., inserting his statement before the Senate Interior and Insular Affairs Committee in support of S. 1798 to provide for the establishment and administration of an Allegheny Parkway in the States of W. Va., Ky., and Md. pp. A3688-9
31. FARM PROGRAM. Extension of remarks of Rep. Michel inserting an article, "Another Billion-Dollar Fizzle," criticizing the feed grain program. pp. A3693-4
- Extension of remarks of Rep. Edmondson inserting two prize-winning speeches by 4-H Club members. p. A3704
- Extension of remarks of Rep. Alger criticizing the Administration's farm program and inserting an article, "Kennedy To Get Farm If His Bill Is Passed." pp. A3715-6
32. WILDERNESS. Extension of remarks of Rep. Dingell inserting 2 articles, "Wilderness and the Self-Interest of Man," and "The De Facto Wilderness: What Is Its Place?" pp. A3697-8, A3728-30
33. FOREIGN TRADE. Extension of remarks of Rep. Bow stating that "numerous inaccurate statements have been made in connection with the current controversy on the U. S. foreign trade policy," and inserting an article, "Let's Look at the Facts." pp. A3699-701
34. MILK SANITATION. Extension of remarks of Rep. Quie inserting a letter he received from the Minnesota State Board of Health in which the board announced its support of H. R. 50 and S. 212, the proposed National Milk Sanitation Act. p. A3720

BILLS INTRODUCED

35. SUGAR. H. R. 11792, by Rep. Boggs, H. R. 11800, by Rep. Rogers, Fla., and H. R. 11805, by Rep. Willis, to amend and extend the provisions of the Sugar Act of 1948, as amended; to Agriculture Committee.
36. PERSONNEL. S. 3325, by Sen. Moss, to extend the application of the Classification Act of 1949 to certain positions in, and employees of, the executive branch of the Government; to Post Office and Civil Service Committee.
- H. R. 11806, by Rep. Dulski, to amend the Civil Service Retirement Act so as to provide for increases in annuities, eliminate the option with respect to certain survivor annuities, and provide for interchange of credits between the civil service retirement system and the insurance system established by title II of the Social Security Act; to Post Office and Civil Service Committee. Remarks of author. p. 7934
- H. R. 11807, by Rep. Dulski, to increase annuities under the Civil Service Retirement Act; to equalize increases in annuity for certain employees retired before October 1, 1956, with annuities of other employees; to increase annuities whenever there is a general adjustment of salaries or the formulas for computing annuities of retiring employees is generally liberalized; to Post Office and Civil Service Committee. Remarks of author. p. 7934
- H. R. 11808, by Rep. Dulski, to amend the Civil Service Retirement Act to provide for the adjustment of inequities; to Post Office and Civil Service Committee.

AUTHORITY FOR SECRETARY OF THE AIR FORCE TO ADMIT CITIZEN OF THAILAND TO U.S. AIR FORCE ACADEMY

The resolution (S.J. Res. 129) authorizing the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the U.S. Air Force Academy was considered, and agreed to, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, within one year after the date of enactment of this joint resolution, the Secretary of the Air Force is authorized to admit Prabaddh Riddhagni, a citizen and subject of the Kingdom of Thailand, to the United States Air Force Academy for the purpose of receiving instruction at such Academy if the Secretary find the said Prabaddh Riddhagni to be mentally and physically qualified; but the United States shall not be subject to any expense on account of such instruction.

SEC. 2. Except as may be otherwise determined by the Secretary of the Air Force the said Prabaddh Riddhagni shall, as a condition to receiving instruction under the provisions of this joint resolution, agree to be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadets at the United States Air Force Academy appointed from the United States; but the said Prabaddh Riddhagni shall not be entitled to appointment to any office or position in the United States Air Force by reason of his graduation from the United States Air Force Academy.

SEC. 3. Nothing in this joint resolution shall be construed to subject the said Prabaddh Riddhagni to the provisions of section 9348 of title 10 of the United States Code.

LOAN OF ARMED FORCES EQUIPMENT TO BOY SCOUTS OF AMERICA FOR 1963 WORLD JAMBOREE IN GREECE

The bill (H.R. 9752) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in Greece in 1963, and for other purposes was considered, ordered to a third reading, was read the third time, and passed.

Mr. ENGLE. Mr. President, I ask unanimous consent that Senate bill 2719, Calendar No. 1325, be indefinitely postponed, it being identical with H.R. 9752, Calendar No. 1324, just passed.

The PRESIDING OFFICER. Without objection, Senate bill 2719 will be indefinitely postponed.

BILL PASSED OVER

The bill (H.R. 8355) to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes, was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

ENFORCEMENT OF THE CUSTOMS AND IMMIGRATION LAWS

The bill (S. 2806) to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 26, 1930, as amended (19 U.S.C. 68), is further amended by amending the proviso to read as follows: "Provided, That the total amount which may be so expended for any one project, including the site, shall not exceed \$100,000, and that where the project is for the joint use of the customs service and the Immigration and Naturalization Service, the combined cost of the project, including the site, shall be charged to the two appropriations concerned."

BILLS PASSED OVER

The bill (S. 3099) to authorize an adequate White House Police Force, and for other purposes, was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3123) to provide an office building for the Housing and Home Finance Agency was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

FURNISHING OF COURT QUARTERS WHERE REGULAR TERMS OF COURT ARE AUTHORIZED

The Senate proceeded to consider the bill (S. 3156) to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes, which had been reported from the Committee on Public Works; with an amendment; on page 2, line 1, after the word "authorized", to insert "by law", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 142 of title 28, United States Code, is amended by adding at the end of such section the following: "The foregoing restrictions shall not, however, preclude the Administrator of General Services, at the request of the Director of the Administrative Office of the United States Courts, from providing such court quarters and accommodations as the Administrator determines can appropriately be made available at places where regular terms of court are authorized by law to be held, but only if such court quarters and accommodations have been approved as necessary by the judicial council of the appropriate circuit."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SITES FOR PUBLIC BUILDINGS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3157) to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired, which had been reported from the Committee on Public Works, with an amendment, after line 5, to insert a new section, as follows:

SEC. 2. Subsections (b) and (c) of section 8 of the Public Buildings Act of 1959 (73 Stat. 481; 40 U.S.C. 607 (b) and (c)) are hereby redesignated as subsections (a) and (b), respectively, of such section.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 8 of the Public Buildings Act of 1959 (73 Stat. 481, 40 U.S.C. 607(a)) is hereby repealed.

SEC. 2. Subsections (b) and (c) of section 8 of the Public Buildings Act of 1959 (73 Stat. 481; 40 U.S.C. 607 (b) and (c)) are hereby redesignated as subsections (a) and (b), respectively, of such section.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S.J. Res. 137) to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, was announced as next in order.

Mr. ENGLE. Mr. President, the bill is not calendar business. I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

IMPROVEMENT OF LAND TENURE PATTERNS OF FORT BELKNAP RESERVATION

The Senate proceeded to consider the bill (S. 1316) to improve the land tenure patterns of the Fort Belknap Res-

ervation, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 7, after the word "Indian", to strike out "Community Council" and insert "community"; in line 8, after the word "authorized", to insert "subject to the provisions of the constitution of the community"; in line 10, after the word "of", to strike out "the community" and insert "the Fort Belknap Indian community", and on page 2, at the beginning of line 10, to strike out "trust for the individuals concerned and the instruments of conveyance shall be construed to have the same force and effect as a trust patent issued pursuant to section 5 of the Act of February 8, 1887 (24 Stat. 388), as amended and supplemented." and insert "trust for the individuals concerned and such lands shall have the same status as other trust lands held by individual Indians on the Fort Belknap Reservation. The title to lands conveyed to the community shall be held by the United States in trust for the community."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of improving the land tenure patterns on the Fort Belknap Reservation of the State of Montana for the mutual benefit of the Fort Belknap Indian community and the individual members thereof, the Fort Belknap Indian community, with the approval of the Secretary of the Interior, is authorized, subject to the provisions of the constitution of the community, to (1) sell and convey to individual members of the Fort Belknap Indian community any tribal lands or interests therein within such reservation; and (2) exchange any tribal lands or interests therein within such reservation for other lands or interests therein situated within the reservation in which any interest is now or hereafter held in trust by the United States for an Indian, or is now or hereafter owned by an Indian subject to restrictions against alienation or taxation.

SEC. 2. The title to lands conveyed to individual members of the community shall be held by the United States in trust for the individuals concerned and such lands shall have the same status as other trust lands held by individual Indians on the Fort Belknap Reservation. The title to lands conveyed to the community shall be held by the United States in trust for the community.

SEC. 3. The Secretary shall have authority to execute such instruments as may be necessary or appropriate to convey titles transferred pursuant to the provisions of this Act, and he is authorized to prescribe such regulations as may be necessary to carry out the provisions of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

CORRECTION OF DESCRIPTIONS OF CERTAIN LAND HELD IN TRUST

The bill (S. 2696) to correct certain land descriptions in the act entitled, "An act to declare that the United States holds in trust for the Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands" was considered, ordered to be engrossed for a third

read, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act entitled "An Act to declare that the United States holds in trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands", approved September 14, 1961 (75 Stat. 500), is amended by striking out—

"Township 8 north, range 2 east:

"Section 4, lots 1, 2, 3, 4, 13, 14, 15, and 16, south half north half;

"Section 6, lots 1, 2, 12, 13, 14, and 15, northeast quarter east half northwest quarter."

and inserting in lieu thereof

"Township 8 north, range 1 east:

"Section 4, lots 1, 2, 3, 4, 13, 14, 15, and 16, south half north half;

"Section 6, lots 1, 2, 12, 13, 14, and 15, northeast quarter, east half northwest quarter."

LAND HELD IN TRUST BY UNITED STATES FOR PRAIRIE BAND OF POTAWATOMI INDIANS IN KANSAS

The bill (S. 2893) to declare that certain land of the United States is held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas: Southeast quarter southeast quarter northeast quarter section 21, township 8 south, range 15 east, sixth principal meridian, Kansas, containing 10 acres, more or less.

CONVEYANCE OF CERTAIN INDIAN LANDS TO LITTLE FLOWER MISSION

The Senate proceeded to consider the bill (S. 2895) to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the St. Cloud Diocese, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 4, after the word "is", to strike out "here" and insert "hereby", and on page 2, line 4, after "rights-of-way", to insert "The conveyance shall provide that title to the land shall revert to the United States in trust for the Minnesota Chippewa Tribe when it is no longer used for religious purposes."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, with the consent of the Minnesota Chippewa Tribe, is hereby authorized to convey to the Little Flower Mission of the Saint Cloud Diocese, without the payment of any consideration, all right, title, and interest of the United States of America and the Minnesota Chippewa Tribe in and to the following described land lo-

cated on the Mille Lacs Indian Reservation: Lot 7, section 28, township 43 north, range 27 west, fourth principal meridian, Minnesota, containing 4.78 acres, more or less, subject to the road right-of-way for Minnesota Trunk Highway Numbered 169, and all other valid existing rights-of-way. The conveyance shall provide that title to the land shall revert to the United States in trust for the Minnesota Chippewa Tribe when it is no longer used for religious purposes.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILL PASSED OVER

The bill (S. 1605) to authorize the Federal Power Commission to delegate its functions was announced as next in order.

Mr. ENGLE. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

ADDITIONAL PROVISION FOR IRRIGATION BLOCKS

The Senate proceeded to consider the bill (S. 2179) to amend section 9(d) (1) of the Reclamation Project Act of 1939, to make additional provision for irrigation blocks, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 15, after the word "limits", to insert a colon and "Provided further, That, when the Secretary shall have deferred the payment of all or any part of any installments of construction charges under any repayment contract pursuant to the authority of the Act of September 21, 1959 (73 Stat. 584), he may, at any time prior to the due date prescribed for the first installment not reduced by such deferment, and by agreement with the contracting organization, terminate the supplemental contract by which such deferment was effected, credit the construction payments made, and exercise the authority granted in this section." and in line 25, after "Sec. 3.", to strike out "Where the Secretary shall have deferred the payment of all or any part of any installments of construction charges under any repayment contract pursuant to the authority of the Act of September 21, 1959 (73 Stat. 584), he may, at any time prior to the due date prescribed for the initial installment under the contract prior to such deferment and by agreement with the contracting organization, cancel and make void the supplemental contract by which such deferment was effected and exercise the authority granted in this Act." and, in lieu thereof, to insert "In any repayment contract which provides for payment of construction charges by single annual installments, the Secretary may by agreement with the contracting organization amend such contract to provide for the payment of such annual installments in two parts on such dates in the calendar year as may best enable the contracting organization to meet its payments."; so as to make the bill read:

use of the Committee on Government Operations.

The amendments were agreed to.

The resolution as amended was agreed to.

The title was amended, so as to read: "Resolution authorizing the printing as a Senate document of a report compiled by the Bureau of the Budget entitled 'Report to the President on Government Contracting for Research and Development'."

PRINTING AS SENATE DOCUMENT OF REVISED EDITION SENATE DOCUMENT NO. 98

The resolution (S. Res. 338) authorizing the printing as a Senate document of a revised edition of (an original resolution) Senate Document No. 98 entitled "Federal Corrupt Practices and Political Activities" was considered and agreed to, as follows:

Resolved, That a revised edition of Senate Document Numbered 98 of the Eighty-fourth Congress, entitled "Federal Corrupt Practices and Political Activities" be printed as a Senate document.

PAYING GRATUITY TO ESTELLE A. ENGLAND

The resolution (S. Res. 339) to pay a gratuity to Estelle A. England was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Estelle A. England, mother of Shirley A. Preston, an employee of the Senate at the time of her death, a sum equal to five months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

PAYING GRATUITY TO ROBERT I. PLOWMAN AND LUCY P. MUNRO

The resolution (S. Res. 340) to pay a gratuity to Robert I. Plowman and Lucy P. Munro was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Robert T. Plowman, son, and Lucy P. Munro, daughter of S. Rex Plowman, an employee of the Architect of the Capitol assigned to duty in the Senate Office Building at the time of his death, a sum to each equal to 3 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS PASSED OVER

The bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, was announced as next in order.

Mr. CARLSON. Mr. President, I ask that that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (H.R. 11261) to authorize an adequate White House Police force, and

for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Mr. President, I ask that the bill go over, by request.

The PRESIDING OFFICER. The bill will be passed over.

That concludes the call of the calendar.

ORSOLINA CIANFLONE IALLONARDO

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1915) for the relief of Orsolina Cianflone Iallonardo, which were, after line 10, insert:

SEC. 2. For the purposes of the Act of September 22, 1959 (Public Law 86-363), Mrs. Chow Chui Ha shall be deemed to be within the purview of section 4 of that Act, and the provisions of section 24(a) (7) of the Act of September 26, 1961 (75 Stat. 657), shall be inapplicable in this case.

SEC. 3. For the purposes of the Act of April 13, 1962 (Private Law 87-346), Giuseppe Aniello shall be held and considered to be within the purview of section 4 of the Act of September 22, 1959 (Public Law 86-363), and the provisions of section 24(a) (7) of the Act of September 26, 1961 (75 Stat. 657), shall be inapplicable in this case.

And to amend the title so as to read: "An Act for the relief of Orsolina Cianflone Iallonardo, Mrs. Chow Chui Ha, and Giuseppe Aniello."

Mr. ENGLE. Mr. President, on March 29, 1962, the Senate passed S. 1915 to enable the adopted daughter of a U.S. citizen to qualify for a nonquota immigrant visa under the provisions of section 4 of Public Law 86-363.

On May 15, 1962, the House of Representatives passed S. 1915, with amendments, to include two additional beneficiaries. The amendments will enable the adopted daughter of U.S. citizens and the son of a U.S. citizen to qualify for nonquota immigrant visas under the provisions of section 4 of Public Law 86-363.

Mr. President, these amendments are acceptable and I move that the Senate concur in the House amendments to S. 1915. This matter has been cleared with the leadership on both sides.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

ELISABETTA PICCIONI

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1271.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7777) for the relief of Elisabetta Piccioni.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, was read the third time, and passed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. MANSFIELD. Mr. President, with the indulgence of the Senator from New York [Mr. JAVITS], who is on his feet, I should like at this time to have the pending business laid down.

I move that the Senate turn to the consideration of Calendar No. 1333, S. 3225.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. There will be no consideration of the bill this afternoon, unless a Senator desires to do so.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TRIBUTE TO MEMBERS OF THE CALENDAR COMMITTEES

Mr. MANSFIELD. Mr. President, I wish to pay my respects to the members of the calendar committees on both sides of the aisle and their staffs for the work they have done this afternoon in helping to clear the calendar to the extent that it has been cleared. They have done a good job.

EIGHTH ANNIVERSARY OF THE DECISION BY THE U.S. SUPREME COURT IN BROWN VERSUS BOARD OF EDUCATION

Mr. JAVITS. Mr. President, today marks the eighth anniversary of the decision by the U.S. Supreme Court in Brown against Board of Education, the so-called school desegregation case.

Mr. President, it is tremendously interesting, I think, and should be of interest to the country, to see what has occurred in the light of the big to-do which has been made in this Chamber concerning the literacy test bill, which has gone down the drain.

This is the really critical element of the desegregation process. The desegregation of education, desegregation with respect to jobs, and desegregation with respect to housing are the three princi-

pal areas in which action is urgently required; yet the whole concentration of attention by the administration, I think quite wrongly, and the whole concentration of attention by the Congress has been upon voting matters, about which there should be very little dispute.

School desegregation has been allowed shamefully to lag. The 1961 report of the Civil Rights Commission specifies that in no uncertain terms, showing that the process has not even begun in biracial districts in Alabama, Georgia, Mississippi and South Carolina, and has not begun in all but one district in Florida and in all but one district in Louisiana.

In this regard I ask unanimous consent to have printed in the RECORD an excerpt from the "Conclusions of the Civil Rights Commission."

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Nation's progress in removing the stultifying effects of segregation in the public elementary and secondary schools—North, South, East, and West—is slow indeed.

During the period 1959-61, only 44 school districts in the 17 Southern and border States initiated desegregation programs; 13 of these acted under court orders; 15 more were pressured into action by pending suits. Seven years after the Supreme Court decision in the School Segregation cases, 2,062 school districts in the South that enroll both white and Negro pupils had not even started to comply with the requirements of the Constitution. These include all districts in Alabama, Georgia, Mississippi, and South Carolina; all but one in Florida and one in Louisiana. Some of the 775 that have started to desegregate have barely begun a 12-year progression; others, by making all initial assignments by race and placing the burden of seeking transfer on Negro pupils—often under extensive pupil placement procedures—have kept at a minimum the number of Negroes in attendance at formerly white schools.

In the North and the West, where segregation by race, color, religion, or national origin is not officially countenanced, it exists in fact in many public schools. A Federal court decision in the New Rochelle, N.Y., case in January 1961 (affirmed by the court of appeals) which required the desegregation of a public school in a northern city, was probably the most significant single event affecting equal protection of the laws in public education since the Supreme Court's decision in the Little Rock case in 1958.

Legislative resistance to desegregation has continued in some Southern States, notably Louisiana. Others, such as Virginia and Georgia, have shifted from massive resistance to freedom of choice fortified by tuition grants. The former proved unconstitutional; the new strategy is now before the courts. The Prince Edward (Va.) case raised the question whether the closing of the public schools and financing the education of all children who seek it in private schools is an evasion of a court order to desegregate. In the St. Helena case the closing of a public school in accordance with Louisiana State law to avoid the necessity of desegregating has been successfully challenged as a denial of equal protection under the 14th amendment.

The Attorney General of the United States has been active in the New Orleans case to prevent nullification of constitutional principles by State action; to prevent evasion of the Federal court order to desegregate public schools; and to provide protection to Negro

children assigned to formerly white schools. He has also filed a brief as amicus curiae in St. Helena. By invitation of the Federal court in the New Rochelle case, he filed a brief advising the court with regard to the order to be entered. Only in Prince Edward has the Federal court denied the Attorney General the right to intervene to protect the interests of the United States.

Mr. JAVITS. Mr. President, even as late as this week, notwithstanding orders of the courts, New Orleans has decided to desegregate only its first grade, after 8 years.

It is also interesting to note—and I call this very strongly to the attention of the Government departments concerned—that so far as we know there have been no reports by any Government departments either on my bill, S. 2980, introduced for myself and a number of other Senators with relation to desegregation in the education field, or even upon what had been thought to be the administration bill, the Clark-Celler bill on the same subject.

Hence the even greater irony of a big conflict lasting 3 weeks on the literacy test bill, which died, while absolutely nothing is done in the Congress with respect to the desegregation of public education, the subject of one of the most historic decisions of the U.S. Supreme Court 8 years ago.

I think it behooves us to do something about the problem. I should be less than frank with the Senate if I did not say that I shall take counsel with the other Senators concerned about these civil rights matters—it is well known that we have always taken counsel without regard to party—in order to see whether the most critically important of all the measures, the measure which would give the Attorney General power to institute suits in representative civil rights cases, including school desegregation cases—yes, even in this election year—should be brought before the Senate for some consideration.

Mr. President, if we are to be frustrated in respect to civil rights legislation, in the face of a shameful lack of compliance with the highest law of the land, which is shown by the failure to act and the foot dragging in respect of desegregation of our school system, let us at least go down fighting on something which really rates and which really counts, like the authority of the Attorney General to start representative civil rights suits. Let the country know that the critical civil rights bill is the so-called part III bill. Nothing else should confuse the country as to what is really the basic issue at stake.

So, Mr. President, on this eighth anniversary of the Supreme Court decision in Brown against Board of Education, I rise to protest the inaction on the part of the Congress. I rise to point out that in wide areas of the country this fundamental national decision is not being observed but is being completely frustrated. We have no right to wonder why extra legal means—passive resistance, lack of confidence in our intention to honor the pledge of the Constitution—become the order of the day.

As I said the other day, when some untoward development does break out,

in the form of violence or otherwise—we hope and pray it will not—let us look back to the kind of frustrating inaction which has taken place in respect to these weighty matters which affect so deeply the minds, consciences, and hearts of the people and which move them so deeply emotionally, in terms of the denial of their fundamental civil rights, to see whether we have done our duty.

Mr. President, I do not think we have. As I say, I shall consult with other Senators interested in this field in order to see, notwithstanding where we stand in the session and the fact that it is an election year, whether we should nonetheless bring the subject up for further consideration by the Congress.

CONSUMERS' PURCHASES OF BEEF

Mr. JAVITS. Mr. President, on March 28, 1962, I inserted in the RECORD an article published in the March 1962 issue of McCall's magazine, entitled "Consumers' Purchases of Beef," written by Samuel Grafton, concerning consumers' purchases of beef, relating to the fat content as affected by the grading practices of the Department of Agriculture and the resultant consequences to be considered, the health of consumers. At that time I asked the Department of Agriculture for a report on the questions raised in Mr. Grafton's article. I have received the Department of Agriculture's response and another letter of comment from Mr. Grafton, and ask unanimous consent that the letters addressed to me by Secretary of Agriculture Orville Freeman and by Mr. Samuel Grafton be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 23, 1962.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: The Department is glad to comply with your request in the CONGRESSIONAL RECORD of March 28 for an evaluation of the article appearing in the March 1962 issue of McCall's magazine, "If You Are Buying the 'Better' Beef," by Samuel Grafton. This article does a distinct disservice to the consumer and to the entire beef industry. It contains serious errors and some false conclusions, and we are anxious to help correct misunderstandings that may result from this statement.

The central theme of the McCall's article is reflected in the statement that "the more fat distributed through the meat or curled lovingly around it the higher the grade it will be awarded." This idea is certainly untrue. The amount of fat on the outside of the beef carcass—and this is generally the location of the largest amount of fat—is not a grade-determining factor since it has no direct effect on the palatability of the lean. In fact, some carcasses in the U.S. Good grade have more outside fat than carcasses in the U.S. Prime grade.

With reference to factors used in determining grade, the article further states "the fat marbling is the decisive element." This is not the case. The maturity of the animal that produced the beef is the most important grade-determining factor. However, among carcasses from animals of the same age, the amount of marbling, or fat dis-

May 21, 1962

SENATE

12. FARM PROGRAM. Began debate on S. 3225, the farm bill. pp. 8114, 8128-32, 8133-45, 8147-53

Sens. Humphrey, Ellender, Mundt, Young, N. Dak., and Proxmire submitted amendments intended to be proposed to the farm bill. p. 8083

Sen. Miller inserted a resolution from the Mason City, Iowa, Chamber of Commerce opposing enactment of H. R. 10010, the proposed farm bill. pp. 8088-9

Sen. Metcalf inserted an article on the Estes case, "Two Psychiatrists Found Miss Jones Mentally Ill," and Sen. Williams, Del., inserted an article, "Hales' Ex-Secretary Ruled Mentally Sound." pp. 8099-8101

13. SCHOOL LUNCH. Sen. Humphrey commended the school lunch program and inserted his letter to the President urging him to proclaim a National School Lunch Week in honor of the program. pp. 8084-6

14. FOOD STAMPS. Sen. Hart commended the pilot food stamp program, stated that "All concerned are more than delighted with the success of the first year's operation of this program in Detroit," and inserted an article, "Detroit Food Stamp Program Makes A Hit." p. 8164

15. FOREIGN TRADE. Sen. Hartke expressed his "deep concern over the President's proposed Trade Expansion Act of 1962" and its possible effects on the domestic economy, stating that "the farmers of Indiana and of our Nation as a whole would be adversely affected if, with all our present surplus, we should suddenly lose our export markets." p. 8108

16. FOREIGN AID. The "Daily Digest" states that the Foreign Relations Committee continued executive consideration of S. 2996, the proposed Foreign Assistance Act of 1962, and announced agreements to cut development grants from \$335 million to \$300 million and approved \$148.9 million for international organizations. p. D386

17. TRANSPORTATION. The Commerce Committee voted to report (but did not actually report) with amendment S. 3016, to establish new loadlines regulations for oceangoing and coastwise vessels. p. D386

18. CENSUS. Both Houses received from Commerce a proposed bill "to provide for earlier taking of the economic censuses"; to S. and H. Post Office and Civil Service Committees. pp. 8080, 8197

19. FINANCES. Both Houses received from Treasury the annual report on the state of finances for fiscal year 1961. pp. 8080, 8197

20. PERSONNEL. Received from GAO "a report on the review of certain aspects of operations of the Federal employees' group life insurance program." p. 8080

21. HEALTH CARE. Sen. Humphrey commended the President's address in Madison Square Garden urging "the passage this year of the King-Anderson bill which would provide hospital and health care for elder citizens under the social security system," and inserted several items discussing the address. pp. 8096-9

22. HOMESTEADS. Sen. Carlson inserted a statement by Sen. Curtis commending the 100th anniversary of the enactment of the Homestead Act in which he stated that "The Homestead Act built the great food-producing area of America." p. 8103

23. BANKING. Sen. Thurmond inserted the address of Sen. Robertson before the State convention of the S. C. Bankers Association, "Banking and Government." pp. 8103-5
24. WATERSHEDS. In addition to the watershed projects listed as approved by the Special Subcommittee on Watershed Projects of the Agriculture and Forestry Committee on May 15 for full committee consideration (see Digest 77), the Special Subcommittee also approved the Saltlick Creek, W. Va., and San Gabriel River, Calif., watershed projects.

ITEMS IN APPENDIX

25. DAIRY INDUSTRY. Extension of remarks of Sen. Wiley commending the observance of June as Dairy Month. pp. A3731-2
26. FARM PROGRAM. Extension of remarks of Rep. Ellsworth urging an immediate investigation of the Estes case "as the loss of public confidence in the Agriculture Department demands." p. A3733
- Extension of remarks of Rep. Michel inserting an article, "Freeman on the Griddle." p. A3735
- Extension of remarks of Rep. Schwengel inserting an article, "A Farm Plan That You Run," and stating that it is a discussion between the voluntary approach and the "administration's compulsory quota system which no one except Secretary Freeman and his planners seem to want." pp. A3741-2
- Extension of remarks of Rep. Derounian inserting an article, "In the Ballooning Estes Mess -- The Facts Catch Up With Freeman." pp. A3743-4
- Extension of remarks of Rep. Dole inserting an article, "Courageous Secretary Speaks Up For Estes." p. A3759
27. CORN TASSEL. Extension of remarks of Sen. Douglas inserting an article dealing with the efforts of Miss Margo Cairns to have the golden corn tassel adopted as the national floral emblem. p. A3757-8
28. PERSONNEL. Extension of remarks of Rep. Pelly inserting an article criticizing the increase in Federal civilian employees. p. A3758

BILLS INTRODUCED

29. FEDERAL AID. S. 3327, by Sen. Sparkman, to make certain federally impacted areas eligible for assistance under the public facility loan program; to Banking and Currency Committee.
30. LIBRARIES. H. R. 11823, by Rep. Bailey, and H. R. 11824, by Rep. George P. Miller, to amend the Library Services Act in order to make areas lacking public libraries; public elementary and secondary school libraries; and certain college and university libraries; eligible for benefits under that act; to Education and Labor Committee. Remarks of Rep. Bailey. pp. 8177-8
31. LANDS. H. R. 11822, by Rep. Aspinall (by request), to permit applications for entry under the public land agricultural laws to be filed only for lands designated as open to such application; to Interior and Insular Affairs Committee. Remarks of author. pp. 8176-7
32. PERSONNEL. H. R. 11830, by Rep. Olsen (by request), to authorize the withholding from the pay of civilian employees of the United States the dues for membership in certain employee organizations; to Post Office and Civil Service Committee.

and its founder, Mr. A. N. Spanel, captioned "Our Folly in Isolating France."

This article deserves attention because it astutely diagnoses some of the causes for the divisiveness that exist between many nations of the free world. It details the first steps that should be taken to establish true unity and with it, strength and security.

It is heartening to see the creative efforts of a businessman and his company acting as private citizens, yet doing so much in the public interest in these perilous times. I know of no private citizen who has given so much of himself and of his company in thought, effort and treasure, in order to establish stronger bonds between the people of the United States and France, as Mr. Spanel has since 1939. Because these constructive efforts are now so widely known throughout the free world, Mr. Spanel merits encouragement with highest recognition everywhere.

I, therefore, ask unanimous consent that the article by Mr. Spanel be printed on the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR FOLLY IN ISOLATING FRANCE

(By A. N. Spanel)

The American people have watched with deep sympathy the long ordeal of the people of France, climaxed by the continuing bloodshed in Algeria. The traditional friendship between our two peoples is too genuine, too time-tested, to be affected by fluctuations in the climate of official relations between our countries.

It is no secret that the French Government has been more and more disenchanted with Washington. This is a matter of great concern to those of us who have been close observers of Franco-American relations. The time is ripe, we feel, for the United States to acknowledge—in deeds, not words—that France has been reborn as a nation of major rank, and that she can no longer be confined to a secondary role in the free-world coalition and in the Atlantic Community.

Concretely, this demands acceptance of France as a member of the so-called nuclear club, and her full participation in free-world policy decisions affecting French interests. Only in that way can the weight of the revitalized France be added to the overall political, material and moral strength of the Western Alliance.

In both Asia and Africa, France has fought battles, at a devastating cost in blood and treasure, in which not only her own interests but those of the entire West were at stake. To appreciate the cumulative frustration visited upon the country by her major allies, one must review some key events in recent years:

1. In Indochina, France fought against the local forces led by Moscow-trained Ho Chi Minh and the forces of Red China, without any significant help from the United States and Great Britain. The cruel price of that free-world failure is being paid today in Laos and Vietnam, both fragments of the former French Indochina; before long it may have to be paid in Cambodia and the rest of Southeast Asia.

2. In the Suez crisis, in 1956, the United States intervened against the action taken by Britain and France in behalf of the whole free world. The principal beneficiary of that rash intervention, dictator Nasser, has been repaying the West by atrociously discriminating against its shipping interests, a great gain for Moscow.

3. Because French interests in the Middle East are large and compelling, both Wash-

ington and London had given assurances that France would be consulted in advance on all policy decisions during the Lebanon crisis in 1958. Yet France was demonstratively ignored by the Anglo-American Governments before they acted.

4. In the grueling 7-year war in Algeria, France found neither understanding nor diplomatic help in Washington. On the contrary, she had to contend with ever mounting American moral support for the rebels.

5. Most important, because it reflected a false and deeply humiliating underestimation of the country, the United States has denied to France the kind of access to the reservoir of American nuclear technology that was wide open to Great Britain. This illogical policy, which persists to this day, has given the ring of hypocrisy to our lip service to French equality in the grand coalition.

LOST FAITH

Any of these events and policies may be explained, or explained away; there is room for argument. But their total impact on the French people, during long years of tragedy and sacrifice, has been to erode faith in the free-world alliance. For all the talk of free-world unity against international communism, they felt increasingly, France must depend in the long-run on its own power and wisdom. Her exclusion from the nuclear elite has been a prime factor in this national sentiment.

As long ago as August 19, 1958, we warned in these columns that France "will continue to react sharply, to its own and the free world's peril, to every maneuver of disengagement or downgrading. And in this connection the atomic problem is crucial. . . . Nuclear energy for both peaceful and military uses has become the symbol and substance of strength in today's world. France has no alternative but to reach out for it."

Reach out for it France did, and successfully. Already she has exploded a number of atom bombs, without a single failure. By any test of reality France now qualifies for admission to the Nuclear Club, even as defined under American laws that admitted Britain to full membership. Soviet Russia happens to be right in regarding France as a nuclear power, despite American assumptions to the contrary.

But while Britain was able to draw on American know-how and industrial production in the nuclear area, France has been forced to shoulder the immense burdens of duplicating what was already available in the United States. As we wrote in the past, "France will attain atomic vitality commensurate with her needs and her place in the hierarchy of nations. How much better that this be done with our generous cooperation."

FOLLY UPON FOLLY

A current episode points up the absurdity as well as the injustice of the continued denial of nuclear equality to France. The French government is seeking to purchase in our country certain equipment related to the production of the delivery system for its atomic bombs. Neither nuclear nor atomic secrets are involved in these machines and machine tools. The American manufacturers are eager to fill the large orders which, incidentally, would be helpful to the United States in its balance-of-payments difficulties.

If Washington turns thumbs down on the purchases—apparently a decision is still pending—France may again be forced to erect her own factories to produce such equipment. She will be put to great expense and frustrating delay in achieving the nuclear force to which she is entitled and which she will attain eventually in any case.

In theory, American nuclear weapons are available to protect French interests against a common enemy. In light of the events summed up above, however, France can

scarcely be blamed for refusing to stake its destiny wholly on the judgments of others.

The French people have been deeply hurt and saddened by the international ill winds blowing against them. Now they are torn in soul and flesh by the Algerian tragedy. Though the nation has made an all but miraculous economic recovery, its people are discontented. They feel that they have been crowded into a go-it-alone corner by the uncooperative policies of their main allies.

THE SENSE OF BELONGING

Unless this condition is rapidly cured, unless France becomes a full partner in the alliance, the French position may harden into a species of isolationism, with dire consequences both for herself and the free world. The ambiguity of the French role in NATO may lead to a complete alienation, again with disastrous results for the entire free world.

More than ever before, France needs a stabilizing sense of belonging to the Atlantic community. More than ever before, the true unity of the free world must be confirmed and fortified. And the primary responsibility rests with Washington. We have no alternatives in logic, or in terms of rock-bottom self-interest, but to recognize that France, by its own efforts and despite American indifference, now ranks as a nuclear power.

We must face up to this reality with deeds which the French people cannot misunderstand. The immediate result would be a great lift to the morale not only of France but of the whole free-world coalition in this time of crowding Communist challenge.

SCHLESINGER AND SOCIALISM

Mr. SCOTT. Mr. President, Henry J. Taylor, writing in the Pittsburgh Press of May 9, 1962, examines the problem of this Nation having as adviser to the President a man who wrote some startling commentaries about the American economy only a few years ago. I ask unanimous consent that the article be inserted into the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KENNEDY PRODDED TO GET RID OF HIS BRAIN TRUST AS SCHLESINGER VIEWS ON SOCIALISM STIR UP STORM

(By Henry J. Taylor)

President Kennedy has a great opportunity in his bid for business (job-giving) confidence if he will say goodbye to his White House brain trust: Arthur Schlesinger, Jr., Theodore C. Sorensen, David E. Bell, W. W. Heller and the others who bring less confidence to business than Jesse James brought to a bank.

The immediate storm is around Mr. Schlesinger. It arises from an article he wrote years ago, now placed in the CONGRESSIONAL RECORD.

A LOT OF EXPLAINING

This professor-turned-politician has had a lifetime career of explaining how others have misunderstood his written views, an occupation ordinarily unnecessary for an articulate man. But as this quoted view goes back to 1947 I thought it only proper to ask Professor Schlesinger to repudiate it now, if he wished.

I have received his reply, quoting Winston Churchill (no less) in his famous remark, "I neither withdraw nor apologize, etc." which returns me directly to what Mr. Schlesinger wrote.

Now reading Mr. Schlesinger when he is dealing with inside Schlesinger is not the easiest thing in town, and Gen. Andrew Jackson's classic admonition to his artilleryman at the Battle of New Orleans occurs

to you again and again: "Boy, elevate them guns a little lower."

But, brushing aside such Schlesinger references as to "The Schumpeterian view of the prospects of capitalism" you get to the pure cream.

His subject is "The Future of Socialism." He states: "If socialism is to preserve democracy it must be brought about step by step * * *. That is, the transition must be piecemeal." His contention takes on current significance. For this is, in fact, the intellectual concept of the New Frontier.

Mr. Schlesinger refers to "the capitalist ruling class" in the United States. How far off base can a presidential helper get?

"The classical argument against gradualism," he writes, "was that the capitalist ruling class would resort to violence rather than surrender its prerogatives. Here, as elsewhere, the Marxists enormously overestimated the political courage and will of the capitalists."

"In the countries where capitalism really triumphed"—may I point out the United States is No. 1?—"capitalism has yielded with far better grace than the Marxist scheme predicted." (The word "scheme," I find, means scheme; but let's not lose the thought.)

"The next depression," he continued, "will certainly mean a vast expansion in Government ownership and control. The private owners will acquiesce in this. In characteristic capitalist panic, they will demand it." The problem, he says, is to have the Government "ready."

Mr. Schlesinger goes on: Socialism here will be brought about, not by the working class but by "some combination of lawyers, business and labor managers, politicians, and intellectuals."

MASS EMOTION

"Workers as a mass," he writes, "have rarely had the impulses attributed to them by Marxism. They too often believe in patriotism and religion"—may I ask you to stop and read that again?—"or read comic strips, go to movies, taxi-dance halls, and so forth * * * and try to cure their discontent by narcotics rather than by surgery. Thus they are rarely swept by the proper mass emotions."

Any man who bemoans patriotism and religion as improper mass emotions and equates these with comic strips and taxi-dance halls as narcotics has no business whatever sitting in the White House whether he wrote it in 1962, 1947 or the year one.

Mr. Schlesinger claims capitalism is "Samson in the Temple." He says those who believe in capitalism are political incompetents lacking the instinct, courage, and energy to survive.

"The bourgeoisie"—this means you and me—"consequently has always had to turn for protection to some nonbourgeoisie group * * * which amounts to saying it needs a master."

You will never in your life read a more terse and classical definition of Mussolini's fascist conception for his corporate state or the German herrenvolk theory applied to Nazi economics.

Moreover, in explaining the past Mr. Schlesinger is continually caught up in the present, stating in a speech as late as last February 15: "Jefferson is today remote and irrelevant, a figure not of present concern but of historical curiosity."

Fortunately, the author of the Declaration of Independence and his immortal liberalism isn't as irrelevant to most Americans as to Arthur Schlesinger, Jr. And the most reassuring step the President could take would be to clean such people out of power as he finally cleaned out Chester Bowles.

URGING PROMPT FPC ACTION

Mr. HICKEY. Mr. President, at the conclusion of 1961 the Governor of Wyoming journeyed to Washington and, with me, visited with the Federal Power Commission to advise them of the absolute need in the foreseeable future to authorize by certificate the construction of a pipeline which would make the resources in southwestern Wyoming available both in Wyoming and in the Rocky Mountain region.

Supplied with the factual data, a very pleasant discussion was held and it was hoped that early in the new year 1962 some action would be taken. However, 1962 is now nearly half over and the need has increased rather than diminished for a better gas supply to some of our Wyoming cities and the Rocky Mountain region generally for the coming winter. Therefore, it becomes extremely important to again ask for prompt action on the part of the FPC so that construction can be started this year which would accordingly assure a better gas supply to some of the southern Wyoming cities and the Rocky Mountain region for this year.

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. Mr. President, it is my understanding that the Senator from Connecticut [Mr. Dodd] will address the Senate. It is hoped that, following his address, the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], will open the debate on the farm bill.

Mr. ELLENDER. That is agreeable to me.

LAOS AND THE SOUTHEAST ASIA CRISIS

Mr. DODD. Mr. President, we are all, I know, deeply distressed over the trend of events in Laos. No one could help but be impressed by the President's message, and by his warning concerning the gravity of the situation in Southeast Asia.

President Kennedy will, I am certain, have the support of all of us in his decision to dispatch American troops to defensive positions on the Laotian frontier, and for any further measures he may find it necessary to take to prevent the subjugation of Southeast Asia by international communism.

In his prompt and solitary decision to send American forces into Thailand, President Kennedy has provided the kind of leadership which galvanized the Free World at the time of the Korean invasion, the kind of leadership which our Allies expect of us. By his actions President Kennedy has greatly bolstered the entire position of the Free World in the Southeast Asia crisis. But these energetic measures, I fear, will be seriously undermined and conceivably negated unless we also take measures to reappraise and revise certain aspects of our policy in Laos.

Both Republican and Democratic administrations have committed themselves to defend the freedom of Laos against the threat of Communist aggression. When SEATO was established after the fall of North Vietnam, Laos was specifically brought under the SEATO umbrella and the Asian Communists were warned that an attack against it would result in a collective response by the SEATO powers.

But today, despite our one-time assurances to Laos and despite the assurances we have not given to Vietnam and to Thailand, the fact remains that Laos stands in serious danger of a Communist take-over.

The present crisis makes it imperative that we reappraise our recent policy in Laos, to see where we have erred and what might be done, even at this late date, to salvage something from the situation.

In Laos, Communist tactics have admittedly been complex, but they have in no way been novel. On the one hand, they have exercised military pressure through native guerrillas and North Vietnamese troops. On the other hand, they have inactivated us through protracted negotiations and bewitched us with the prospect of a neutralist Laos, governed by a Communist-neutralist-conservative coalition.

In Laos, indeed, our entire policy has been predicated on the assumption that Soviet desires did not go beyond the establishment of a truly neutral government, open to the influence of Moscow and Washington alike. It is in line with this belief that we have urged our Laotian friends to enter into a coalition government with the Communist and neutralist forces. But the prospects of peaceful coexistence in Laos have been shattered by the events of the past week.

That the United States has been played for a fool—

Said the distinguished columnist, Marguerite Higgins, in the New York Herald Tribune, Monday, May 14—

was evident in Washington, firstly, from events in Laos, where Red troops led by Hanoi and Red-Chinese trained officers were ferociously giving the lie to the Harriman

own tongue and stat down to share their simple menu.

This stranger from another world was the first white man ever seen by the inhabitants of the village and of some 40 other Lao villages.

The stranger, the Reverend Mathias Menger, a 30-year-old native of San Antonio, Tex., told here today how, in his first 3 years in Laos, he had walked 5,000 miles to get to know the people he will serve for the rest of his life.

Father Menger, an Oblate missionary, went to Laos, with headquarters in Vientiane, 6 years ago. In January, he returned to the United States for an 8-month visit and will return to Laos in September.

CONQUERED NATIVE FOOD

In an experience remarkably similar to that of the fictitious "Father Finnian" in "The Ugly American," the controversial book about American policy in southeast Asia, Father Menger learned to eat Lao food by suffering through attacks of dysentery until his system had built up its defenses.

"In a few weeks," he said, "I lost 35 pounds."

If Laos is not to become a Communist nation, he said, more Americans will have to make the same kind of sacrifices.

"I understand very well why our people are not going out there to live," he said. "If I were married, I wouldn't go out and live in a jungle."

"We need dedicated people," he added. "No purely human motive is sufficient for a person to live in Laos. If I didn't have a spiritual motive, I wouldn't live there for all the money in the world."

And yet there are people who are willing to live among the people of Laos.

"One of the finest persons I have ever met was a Russian Communist in Laos," Father Menger said. "I asked him how long he was going to stay, assuming that, like our own people, he had a short, definite tour of duty."

"He didn't seem to know what I meant. 'I have come here to make Laos a Communist country,' he told me. 'I will stay until the job is done.'"

Since his return to the United States, Father Menger has delivered 231 lectures, appeared on 30 television programs and been interviewed on nearly that many radio stations.

One of the purposes of the lecture series is to ask for contributions to a \$100,000 fund to build an orphanage—the first in Laos—and a girls' vocational school.

In every one of his lectures, he said, several women have been unable to listen to his descriptions of some of the things he has seen in Laos.

FAMILY TORTURED

A family in Father Menger's pastorate was captured by Communists, who demanded they make a choice between communism and Christianity. When they chose Christianity, a 4-year-old daughter was brutally beaten and thrown in the mud.

When they still refused to renounce Christianity, they were buried in the village square with only their heads protruding. A plow was hitched to a water buffalo and the Communists circles the buried family. When they still refused to become Communists, the plow was run over the members of the family, one by one.

Although he seldom goes out on military patrols, Father Menger frequently works close to the vague front line of the strange Laotian war.

SPIKES KILL

"The Communists bury barbed spikes in the ground," he said, "and then lure their enemies across the mined area."

"One day we were walking in a column and the boy in front of me stepped on one of the spikes. He let out a yell and fell to

the ground—on a bed of spikes. It was like falling on a bed of icepicks. He was dead in 2 minutes."

Father Menger clearly feels that Laos is the key to Southeast Asia—and that what is being done now to have it is not enough.

Asked what he thought the odds are that the United States will take effective steps soon enough to save the country, he shook his head and said:

"I know there is no reason why we should lose Laos. But I just don't know whether we will do what needs to be done to avoid it."

[From the New York Herald Tribune, Apr. 30, 1962]

THAI TO SEND LAO RICE TO EASE "BRUTAL SUSPENSION" OF U.S. AID

VIENTIANE, LAOS.—Royal Government leaders returned from Thailand yesterday with pledges of help to ease the economic impact of what a Lao official called the brutal suspension of U.S. aid.

At the same time, the official, Acting Foreign Minister Sisouk Na Champassak, expressed hope Washington will understand the royal Government's position and reverse U.S. policy.

The United States suspended its \$3 million monthly economic aid to Laos in February, when Premier Prince Boun Oum refused to enter into a coalition regime with neutralist Prince Souvanna Phouma as Premier.

The United States insisted this was the only hope for ending the rebellion of the Communist-dominated Pathet Lao guerrillas. The royal Government feared the Communists eventually would take over from Prince Souvanna.

Mr. Sisouk told reporters the Thai Government, as a first step, has given Laos a grant of 1,000 tons of rice—about enough to supply this administrative capital for 10 days—and will provide other products such as cement.

Mr. Sisouk declined to give details but said, "We have drawn a plan of our needs, and Thai officials promised to consider them within the limits of Thailand's capabilities."

Asked if the U.S. policy of suspending economic assistance was raised during discussions with Thai officials in Bangkok, Mr. Sisouk replied: "The Thai Government doesn't understand this brutal suspension."

HARRIMAN SAW NO AID

A reporter said W. Averell Harriman, U.S. Assistant Secretary of State for Far East Affairs, had declared after his visit to Laos in March that no southeast Asian government would consider helping Boun Oum's government.

Mr. Sisouk said Mr. Harriman made the statement "after failure of his mission here." Mr. Harriman had come here to try to get the rival factions to negotiate again on a neutral coalition regime.

"The security of Thailand," Mr. Sisouk said, "depends on the security of Laos. Therefore, Thai officials have manifested a lot of sympathy in giving us what we need."

The Government visit to Thailand was the first of several to be made to Asian neighbors seeking support in the dispute with Washington. A delegation will leave Tuesday for South Korea.

[From the New York Times, May 13, 1962]
NEW CRISES LOOM FOR UNITED STATES IN SOUTHEAST ASIA—PERILS FOR THE WEST POINTED UP BY COMMUNIST GAIN IN LAOS—SAIGON FOES STILL HOLD INITIATIVE
(By Robert Trumbull)

TAIPEI, TAIWAN, May 12.—New successes by the pro-Communist rebels in Laos have again underscored the perilous position of the free world in the turbulent and vital southeast Asian region stretching from Saigon on the west to Rangoon on the east and

reaching southward to the Indonesian archipelago and New Guinea.

After weighing all the developments, it is hard to find any place in the area where the outlook for the West has brightened in recent days. Disquieting signs are many.

With pro-Communist forces advancing in Laos, our friends in that country and neighboring Thailand are becoming estranged and embittered.

Despite increasingly massive U.S. support to President Ngo Dinh Diem's regime, the Communist guerrillas called the Vietcong still hold the initiative in South Vietnam.

Many observers expect the Communists to inspire serious trouble in Singapore over Malaya's plan to absorb that strategic island and neighboring British territories in Borneo into an expanded pro-Western state to be called Malaysia.

Hoping to remain aloof and continue with their own development, nonaligned Burma and Cambodia burrow into their neutralist cocoons.

SOVIET ARMS

Neutralist Indonesia, preparing to attack Netherlands New Guinea in what President Sukarno regards as an "anticolonial" liberation movement, is committing more and more of her resources to the Soviet Union in return for arms.

The United States has attacked the problems in southeast Asia in various ways.

In Laos, Washington is pressing the loyal pro-Western Government of Prince Boun Oum to join in a coalition regime to be headed by neutralist Prince Souvanna Phouma. The coalition would include leftist supporters of pro-Communist Prince Souphavong.

The U.S. efforts to get Indonesia and the Netherlands to negotiate the New Guinea question have so far yielded little success.

With the new military regime just beginning to find its feet in Burma, an effective U.S. policy at this point seems debatable.

Washington's program in Cambodia is committed to supporting efforts by Prince Norodom Sihanouk's government to raise living standards in this surprisingly progressive Southeast Asian kingdom. American economic aid far outstrips the contributions of the Communist powers to Sihanouk's development plans. Sihanouk maintains his independence of both power blocs.

ECONOMIC AID

The task of American diplomats in Malaya and Singapore is complicated by Washington's programs to release stockpiled tin and rubber, which hit Malaya's principal sources of revenue. But Malaya's political problems are more immediately a concern of Britain, which still has suzerainty in varying degrees over Singapore, and the territories of North Borneo, Sarawak and Brunei.

Because the Communist threat is most acute in South Vietnam and Laos, these are the crisis points in the area from the U.S. point of view. Because of its proximity, Thailand cannot be separated from the problem in this sector.

"It's too bad," an American diplomat in another Southeast Asian state said recently, "that Washington can't seem to act strongly in a country until there's a crisis."

The Kennedy administration's policy of seeking a coalition regime in Laos is controversial to say the least among our friends in Vientiane and Bangkok. And it has raised eyebrows from Australia to Pakistan.

Gen. Phoumi Nosavan, the strongman in Prince Boun Oum's government, is convinced of the danger that the pro-Communists will eventually prevail in a coalition. To prevent this, he had insisted that the pro-Western side keep control of the army and police. The United States and Soviet Union, acting in rare agreement, want these key portfolios handed over to neutralist Prince Souvanna Phouma.

Those who agree with General Phoumi include Marshal Sarit Thanarat, the anti-Communist Premier of Thailand. Sarit is giving Vientiane economic aid in an effort to offset the punitive suspension of the U.S. dole of \$3 million monthly to the Boun Oum regime.

But the unchecked Communist advance in northwest Laos this week has strengthened the U.S. feeling that the Royal Lao Army is ineffective and that a coalition government is the only answer.

The U.S. position in Laos obviously rests upon confidence in the good faith of neutralist Souvanna Phouma and the Communists. This is plainly a gamble. If our bet turns out to be wrong, it will be rather late to prevent the other side from pulling in the pot.

U.S. ADVICE

American military men in South Vietnam are advised on arrival that they are "there to advise, not to command." In this framework our efforts to aid the Vietnamese are severely limited by the shortcomings of the Saigon regime.

American officers are not free to overrule the deployment of Ngo Dinh Diem's 200,000-man army plus auxiliary paramilitary forces in accordance with the political purposes of the President and his powerful brother, Ngo Dinh Nhu.

As a result the greatly outnumbered Vietcong continues to score in surprise forays against undermanned outposts. And the extraordinarily inept administration of theoretically sound programs to break the Vietcong's hold on the loyalties of the peasant population continues to play into the hands of the enemy.

An example is the heavy-handed implementation of "Operation Sunrise," the project for relocating villagers in protected strategic hamlets. Eyewitnesses have noted that youths of military age have been conspicuously lacking among transplanted groups. The presumption has been that many if not all of these have defected to the Vietcong.

These accounts tend to bely official statements implying that the Vietcong recruits mainly by abductions and other terror tactics. In any case, the main problem in Vietnam is still to get the peasants to help the Government rather than the enemy.

Operation Sunrise, combined with direct military action mixing use of modern weapons with less familiar antiguerrilla tactics, may still work in South Vietnam as eventually happened in Malaya. The complicating factor in Operation Sunrise, however, is the attachment of the Vietnamese to their ancestral soil, an attachment the Malaysians generally lack.

CIVIL STRIFE

One of the imponderables in Vietnam is the widely discussed possibility that the Ngo Dinh Diem government may be overturned by a more skillful application of coup d'état tactics than the abortive attempt by disaffected army officers in November 1960. Americans hesitate to contemplate the prospects for widespread civil disruption to the benefit of the Communists should the regime be upset.

Thailand has recently sought to bolster her defensive position by obtaining a guarantee of military protection from the United States. Should Laos fall and the Communists move southward, Bangkok may call for help under this agreement.

With Laos still unsettled and a long war ahead in South Vietnam and other areas still uncertain, it is too early to try to predict whether events will turn out to the benefit of the West in southeast Asia on any front. But the prospects are for deep involvement of the United States in this area for a long time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 2270. An act to amend section 105 of title 28, United States Code, so as to transfer certain counties from the western division of the Western District of Missouri to the St. Joseph division of such district, and for other purposes;

S. 2806. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

S.J. Res. 129. Joint resolution authorizing the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the U.S. Air Force Academy; and

S.J. Res. 175. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 9617. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes; and

H.R. 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2838) to exempt from taxation certain property of the Army Distaff Foundation.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Madam President, there is before the Senate today a most important bill. It has been before the Committee on Agriculture and Forestry since last February.

The committee held extensive hearings on it. Although I believe the bill is not quite as satisfactory as it could be, it is now before the Senate for consideration.

At the outset I wish to say that the main purpose of the bill is to try to save the taxpayers of our country in excess of \$2 billion a year to maintain our present farm programs for wheat, corn, and other feed grains. It is that simple. Something must be done to curtail the production of wheat that we do not need, as well as the production of corn and other feed grains which we do not need. As I shall point out in the course of my presentation, certain suggestions made by the administration were deleted from the bill by the Agriculture Committee, but I hope to have the Senate reinstate them. As I proceed with my presentation, I shall make plain what I hope to do so that the amount of commodities I have mentioned may be produced more in keeping with our requirements.

I am sorry to say at the outset that it is not my intention, although I should like to do so, to present to the Senate a program that would affect milk and its products. The committee has worked diligently in trying to persuade the producers, as well as those handling milk, to agree on a program. Since the problem of the control of milk production is so difficult, it is my view that the Congress may not be in a position during the consideration of this bill to enact legislation that would affect milk and other products, although I believe such legislation is necessary. I make that statement particularly in view of the fact that last year's milk program alone, from April 1961 to April 1962, cost the taxpayers more than \$600 million. That is quite a sum of money. I contend that if our farm programs are to be maintained and are to continue to assist the farmers, the overall cost of such programs must decrease.

The production of commodities which now receive price supports must be kept in line with the amount of those commodities that we need.

Madam President, it is wrong for a farmer to expect his Government to provide him with price supports when he is not willing to adjust himself to acreage controls. We have had a classic example in the production of corn and other feed grains. Never have the producers of those commodities been penalized for overproduction. There are no acreage controls in effect. The producers of those commodities can now produce, under the permanent law, any amount of those commodities, and still receive price supports notwithstanding the amount the Government must purchase.

As to wheat, I am sure Senators will recall that there was a great deal of discussion as to that program. As I shall point out, in 1938, when the original wheat marketing program was placed on the statute books, a minimum acreage was fixed, and the Secretary of Agriculture could not proclaim quotas below this, and so long as the farmers remained

within their allotments, they were entitled to price supports, which under the Agricultural Act of 1949 range from 75 to 90 percent of parity.

When the minimum acreage was fixed, in 1938, the production of wheat was 13.3 bushels an acre. Now the production is 26.2 bushels an acre, and the minimum 55 million acreage provision is still in the law.

It is evident that something must be done. We must reduce the wheat acreage, lest we continue to accumulate millions of bushels of wheat that we do not need.

INTRODUCTION AND DEVELOPMENT OF S. 2786

Madam President, on February 2 of this year, I introduced the administration's new proposal for agricultural legislation. I had serious reservations about certain sections of the bill, particularly the dairy provisions, which I felt would create more problems than they corrected. However, it was my feeling that a comprehensive program such as the administration had proposed would be a sound foundation upon which to build and would be one that could be used most satisfactorily for a general overall review of the agricultural policy presently in effect for the feed grains, wheat, and dairy products. That a general review was necessary is adequately borne out, in my opinion, by the conditions and the failures in the present permanent programs applicable to these commodities.

As introduced, S. 2786 which was the original bill as introduced by me, provided for an extensive program of land use adjustment; amendments to Public Law 480 in furtherance of the food for peace program; amendments to the Agricultural Marketing Agreement Act of 1937 which among other things would have authorized producer quotas under marketing orders for turkeys, turkey hatching eggs, and milk; new supply management programs for feed grains, wheat and milk; and amendments to the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936.

Extensive hearings were conducted by the committee, as I have stated. In line with my idea of an overall review the hearings covered not only provisions of the bill but other ideas, proposals, and programs as well.

Subsequent to the hearings the committee held executive sessions and discussed in detail all aspects of the administration's proposal and considered alternate programs and possibilities for the commodities under review.

I think there was a general consensus that the present permanent programs for wheat, for feed grains and for dairy products contain unrealistic provisions which prevent desirable changes from taking place.

WHEAT

The present permanent program for wheat provides for price supports at 75 to 90 percent of parity and for a minimum national allotment of 55 million acres. Under this program, production has exceeded requirements regularly, and the Federal Government as of March 31, 1962, had \$2.5 billion invested in 1.3 billion bushels of wheat. This is more

than a year's supply for both domestic and export requirements.

I have said repeatedly that the one factor most responsible for the accumulation of excess supplies is the 55-million-acre minimum national acreage allotment that was placed in the law in 1938. In that year, 1938, 69 million acres were harvested, but production amounted to only 920 million bushels. The reason, of course, was that per acre yields of wheat were very low. As a matter of fact, the 1938 yield per acre was only 13.3 bushels per acre.

The following year about 53 million acres were harvested. Total production amounted to 741 million bushels, and yields were at 14.1 bushels per acre.

In 1960-61 notwithstanding the fact that only 52 million acres were harvested, total production amounted to 1,357 million bushels. Yields averaged 26.2 bushels per acre. This is almost double the yields experienced when the minimum acreage was placed in the law. Although there was a severe drought in 1961-62, production totaled 1,235 million bushels, and yields averaged 24 bushels per acre.

Under the present law the Secretary is powerless, as I said, to reduce the national allotment below the 55-million-acre minimum regardless of the stocks of wheat which have accumulated under the program over the years.

I have long been aware of this particular failing in the law relating to wheat, and on two separate occasions instigated efforts to correct this situation. In 1959 and 1960 the Senate passed bills which would have amended the present law. The first, as finally approved by Congress, provided for price supports at 90 percent of parity and a 25-percent cut in acreage allotments. This bill was vetoed by the President.

What did that mean? If the acreage had been cut one-fourth, it would have reduced the number of acres to be planted thereafter to a little more than 40 million acres. That would have been somewhat more in keeping with our requirements.

In 1960 the Senate again acted favorably on a bill which provided for price supports at 75 percent of parity with a 20-percent cut in acreage allotments. Payments in kind were included in both bills. The House, however, was unable to act on a bill of its own in 1960 and refused to accept the Senate version.

However, as far back as 1956 the impossibility of controlling production with a minimum of 55 million acres in the law was recognized by Congress. Senators will recall that on April 16, 1956, the President of the United States vetoed a bill which incorporated the certificate plan for wheat. That plan is similar in nature to the proposal contained in the pending measure.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. One of the difficulties in dealing with wheat as distinguished from corn is that some varieties of wheat, as the Senator knows, are in short supply, while the

surpluses are in only one or two varieties. Corn has pretty much the same feed value in any area of the United States.

What really ought to be done is to make the heaviest cuts in production in the types of wheat which are in the greatest surplus. Indirectly, this is being done in the bill now pending by cutting all wheat acreage and permitting an increase in wheat acreage for types of wheat which are not in short supply. If the Secretary of Agriculture would use this provision wisely, then the producers of better quality wheat would probably get a little break in acreage.

The wheats which are in short supply are durum hard red spring and soft red and white winter wheat. The wheat of which there is a tremendous surplus is hard winter wheat.

I repeat: We could indirectly get at the problem by providing some preferential treatment to the producers of better grades of wheat when it is in short supply.

A few years ago a price-support differential was provided for wheat of a better quality; but too high a price support is being provided for some wheats which are not in much demand for human food consumption and have little more value than for livestock feed.

Mr. ELLENDER. I realize what the distinguished Senator from North Dakota is speaking about. In the pending measure discretionary power has been provided for the Secretary of Agriculture to plan more desirably for the production of wheat in short supply. But when the Senator speaks about the hard red winter wheat being produced in quantities in Kansas, Nebraska, Oklahoma, and Colorado, we might get into trouble if we tried to provide for curtailing the production of wheat severely in those areas.

Mr. YOUNG of North Dakota. One of the real problems confronting a person such as myself, who represents a major wheat-producing area, concern Hard Red Spring wheat. Because of the drought last year and the great demand for Hard Red Spring wheat, that type of wheat will not be in surplus another year. In fact, if farmers take as much as 40 percent of their wheat acreage out of production, as they are encouraged to do this year, there may be a shortage of this type of wheat, which is one of the best types produced in the United States.

Mr. ELLENDER. The bill makes provision for Durum wheat and for other types of wheat in short supply. Exactly how to meet the problem the Senator poses is one which is difficult to deal with. As the Senator from North Dakota has stated, one of the difficulties in dealing with the problem has been that the wheat problem is a little different from the problem of corn.

There are now other feed grains which can compete with corn.

Particularly is that true of sorghums. There are varieties of sorghums which are produced in abundance, and varieties of barley which are produced in abundance, and whose feed value is almost as great as corn. So there is a

little competition now. That is why we are seeking to deal as we are with the feed grain producers, by trying more or less to control the production of corn, sorghum, and barley to conform with the requirements.

We do not ask the farmers not to plant those commodities; but if they desire to plant and do plant all they want to produce, they should not expect Uncle Sam to provide high price supports. That is all we say. If they want support prices, they should agree to acreage curtailment. That is all we are saying in the bill.

Mr. YOUNG of North Dakota. In recent years, farmers have greatly increased the yields of sorghums by developing new varieties. Sorghums now have almost the same feed value as corn. The same is true of barley. There are also new methods of feeding barley. Barley now has as good feed value as corn. There is great feed value in all these grains. So far as concerns wheat as a human food, some varieties of wheat do not rate very high, while others do.

Mr. COOPER. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I should like to pursue the question raised by the Senator from North Dakota. We who are members of the Committee on Agriculture and Forestry know that he has raised this point many times. It is a fact that some types of wheat are not in overproduction; for instance, Durum wheat in North Dakota and Soft Red Winter wheat in Kentucky.

Is it not true that the bill before the Senate grants the Secretary of Agriculture authority to deal with those types of wheat which are not in overproduction by providing acreage allotments which will permit the volume of production needed?

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. Would the Senator from Louisiana, who is the chairman of our committee, interpret this provision to mean that the Secretary of Agriculture ought to make an adjustment to permit the production of enough wheat of the types which are in shortage?

Mr. ELLENDER. The desired types. That is what I am hoping will be done. Of course, farmers are prone to plant the kind of wheat which will grow more readily in, say, one area than in another, and provide a greater bushelage or tonnage, for which they will receive price supports. I am hopeful that some day it will be possible to deal with the problem by reducing price supports for the varieties of wheat which are not so desirable as others for human consumption. I now return to my prepared text in discussing previous efforts the Congress has made to solve this wheat problem.

Had these efforts taken by the Senate in 1956, 1959, and 1960 to remove permanently the 55-million-acre minimum not been in vain, I feel certain there would not now be such a tremendous accumulation of stocks in government hands.

Last year a so-called emergency wheat program applicable to the 1962 crop was

enacted into law. Under this program farm acreage allotments are reduced 10 percent and farmers are required to divert the reduction to conserving uses. They may voluntarily retire up to an additional 30 percent of their acreage. Payments to farmers are to be made at the rate of 45 percent of the value of what might have been produced on the required 10 percent diversion and 60 percent of the value on any additional acreage diverted.

Under this program, farmers have signed up for the diversion of 15.1 million acres of wheat. If this materializes, payments under the program are estimated at about \$333 million. If the prognostication referred to by me is correct, it will mean that the acres planted to wheat will be approximately 40 million, which should make quite a decrease in the wheat that will be gathered during the current crop, and of course it will result in a tremendous saving in storage and handling costs.

The committee recommendations give producers a choice between a new wheat program, which would be permanent, and a 2-year extension of the 1962 temporary program.

Madam President, it is my hope in the course of the consideration of this bill to submit an amendment to eliminate this producers' choice, and to let the permanent certificate program be enacted into law. In other words, I believe it would be folly and wasteful for the Senate to extend the present emergency program for 2 more years, and at the end of the 2 years resort to the old program which has given us so much trouble in the past. But that is what will happen—as I shall point out during the course of the debate. Madam President, if the optional plan remains in the bill, I am convinced that wheat farmers will vote for the optional plan—that is, to extend the emergency plan for 2 years more, and then resort to the present law, which would reinstate the 55 million acreage minimum.

FEED GRAINS

During the course of committee consideration of this bill, the committee also felt that it was imperative that action be taken in the case of feed grains. As of March 31 of this year, price-support investment by the Commodity Credit Corporation in feed grains amounted to \$3 billion. Almost a half-year's supply of feed grains is in Government stocks.

The steady accumulation of feed grains in excess of our requirements is the result of unrealistic programs covering these commodities. I may add that, in my opinion, we have never applied realistic programs to the feed grains.

The permanent price-support law now on the books covering feed grains was enacted in 1958. It provides for price support for corn at 65 percent of parity, or 90 percent of the 3-year average, whichever is higher, with comparable levels for the other feed grains, and permits—I repeat—unlimited production.

Prior to 1958, price-support laws treated corn differently from the other

feed grains. For grain sorghums, oats, baley and rye, price supports were permissive at from 0 to 90 percent of parity, as determined by the Secretary of Agriculture, and unlimited production was permitted.

Corn, however, which I have often referred to as "the little, blue-eyed girl of our program"—has always been considered a basic commodity, and, as such, has received mandatory price support in the same way that other basic commodities subject to marketing quotas under the Agricultural Adjustment Act of 1938, as amended, have been supported, except that marketing quotas have never been made effective for corn.

Acreage allotments were established for corn, except for war years, beginning in 1938; but marketing quotas were not proclaimed. Then in 1954, the law was amended so as to exempt corn from the marketing-quota provisions of the law.

Prior to 1956, price support was made available in the commercial area only to those who complied with allotments; but no marketing penalties were imposed on those who exceeded allotments. Of course, the fact that a large proportion of the crop was entitled to price support, and could move into Government storage, provided a so-called umbrella effect on market prices, to protect those who did not comply. As a matter of fact, in 1954, about 40.2 percent complied with allotments; in 1955, 51.4 percent; and in 1956, 43.9 percent complied.

Under the program of acreage allotments, without marketing quotas, production of corn for grain increased from 2.8 billion bushels, in 1950, to only 2.9 billion, in 1955; but Commodity Credit Corporation holdings of corn increased from 487.5 million bushels to 1,109.2 million bushels in September of 1956.

In 1956 the Department of Agriculture, under Mr. Benson, further aggravated the situation in corn by providing price supports not only to those who complied with allotments, but to noncompliers, as well. This opened the floodgates; and production jumped from 2.9 billion in 1955 to 3.4 billion bushels in 1958, notwithstanding the fact that the acreage reserve program was in effect and that millions of acres were not put into production, but were diverted. Commodity Credit Corporation holdings also increased from 1.1 billion to 1.4 billion bushels.

As I indicated earlier, in 1958 the price-support laws for corn and the other feed grains were changed. Support prices for corn and the other feed grains were made mandatory at 65 percent of parity or 90 percent of the 3-year average, whichever was higher, and all restrictions on production were removed. Corn production soared to 3.9 billion bushels in 1960. In other words, the Government handed the feed-grain growers a blank check to grow all they wanted, with the assurance that any excess production would be taken over by the Government and would be stored. This program was in effect for the crop years 1959–60. During these 2 years, Government investment in feed grains—that is, corn, oats, sorghums, barley and rye—increased from \$3.306 million to

\$4,008 million, an increase of \$702 million.

Madam President, there is no real reason for anyone to want to continue such an expensive program. I repeat that the farmers who produce these commodities and expect their Government to give them price supports should be willing to reduce their production more in keeping with our requirements. That is all I am asking, and that is what I shall propose in time when the specific provisions of the bill are dealt with by us.

Last year, at the request of the administration, an emergency program for corn and sorghums was put into effect for 1961; and subsequently a similar program for corn, sorghums, and barley was enacted for the 1962 crop. The program was requested by the administration, so as to give time to develop a realistic long-range program for the feed grains.

This emergency program provided for a required 20-percent reduction in acreage in order to be eligible for price support, with the opportunity to voluntarily divert up to an additional 20 percent.

Under this program, farmers were to be paid for not producing at a rate of up to 50 percent of the normal production on the first 20 percent of acreage diverted and at a rate of up to 60 percent of the normal production of the additional 20 percent of corn and grain sorghums acreage diverted.

The so-called temporary program in effect in 1961 resulted in a decrease in the production of corn and grain sorghums of 421 million bushels below 1960 levels.

The most recent figures provided by the Department of Agriculture indicate that the costs of payments to farmers under the 1961 program amounted to—listen to this—\$782 million, while about \$43 million was the cost of administrative expenses, for a total of \$825 million.

Estimates by the Department of Agriculture indicate that, based upon the final signup figures for the 1962 program, which, by the way, as I said, will be in effect during the current crop year—payments to farmers may run as high as \$896 million if the intended diverted acres materialize and the total cost of the program may well be in excess of \$900 million when administrative expenses are included.

Yet there are many Senators who want to continue this expensive program. I do not. I think it should be thrown out and a permanent program should be incorporated in the bill, by all means.

While there is no doubt that a substantial reduction in the production of feed grains will occur again this year and that there will be longrun savings to the Government the fact is that these temporary programs are extremely costly and cannot in good conscience be long continued.

The Committee on Agriculture did see fit to extend the so-called feed grain program for another year, but I am of the opinion that when the costs of the program are totaled, it will be clear for all to see that it would have been much better had the committee heeded the advice of the administration and worked

toward the development of a program in line with their recommendations.

DAIRY PRODUCTS

The administration also recommended a control program for dairy products. While I personally was not in accord with their proposal, I felt that it could well be used as a springboard to stimulate discussion in this very broad area and as a means for the development of a sound future program.

I may say, in passing, the main objection was to fixing national quotas for milk production which would apply all over the country, whether there was milk production in excess of demands of local consumers, or whether there was a deficit area.

As Senators know, the present program for dairy products provides for price supports at from—it is in the law now—75 to 90 percent of parity with no restrictions on production. In other words, farmers are guaranteed at least 75-percent price supports for all the milk they can produce. Of course, the Government stands ready to purchase and has purchased all of the excess production.

While there is no dollar market for most of the stocks that the Government has acquired in the past, the Department of Agriculture has managed to get rid of its supplies of dairy products by giving it away at home and abroad.

For example—and I would like Senators to heed this—the Department of Agriculture estimates that sales during the 1962–63 marketing year will total only about \$30 million, including Public Law 480 sales of about \$19 million.

The cost of the dairy program, however, is very substantial. From the inception of the program through December 31, 1961, price support losses on dairy products amounted to slightly over \$2.1 billion. In addition, the cost for the special milk program amounted to approximately \$475 million.

In the last marketing year, the cost of dairy products acquired by the Government in supporting the price of milk amounted to \$561 million. In addition, the military and school milk programs cost \$121 million, for a total of \$682 million for last year.

While the Government will realize about \$11 million from sales, excluding Public Law 480, the Department also estimates that storage, transportation, and packaging of these acquired commodities will cost an additional \$40 million.

Obviously, this program is also much too costly. I feel sure that farmers themselves would not want this program if all of the facts were placed before them.

I do not want it misunderstood. I am most certainly in favor of utilizing our surplus agricultural commodities for the benefit of those less lucky than we. However, I do not feel that this Government should encourage the expansion of agricultural production through unrealistic price-support programs in order to acquire stocks of commodities which then must be given away.

While the committee labored industriously with this problem, it became

apparent that no program for dairy products could be devised which was acceptable.

I have said repeatedly in the past, and I say it again, that, unless realistic programs for these agricultural commodities are devised and enacted into law, it may well sound the death knell for all agricultural programs. As Senators know, if this were to occur, agriculture would be thrust into an economic vise that would be catastrophic. I would not want to see this, and I am sure that no one else in the Senate would like to see this. However, in my estimation, it can be avoided only if we adopt realistic programs which are less costly to the taxpayer and provide greater benefits for farmers.

EXPLANATION OF THE BILL

GENERAL

The bill, as it has been developed by the committee, is another step in our effort to reduce surplus stocks of agricultural commodities. It seeks to achieve this purpose through a reduction in wheat acreage, diversion of feed grain acreage and other cropland from production, expansion of surplus disposal under Public Law 480, and research into new industrial uses for surplus commodities.

The bill consists of five titles, all of which are directed toward the reduction of our surplus stocks. Title I deals with land use adjustment, title II with surplus disposal under Public Law 480, title III with limiting feed grain and wheat acreage, title IV with loans to assist farmers in land use adjustment, and title V with development of new uses for our surplus commodities.

LAND USE ADJUSTMENT

The first title of the bill amends the Soil Conservation and Domestic Allotment Act, the Bankhead-Jones Farm Tenant Act, and the Watershed Protection and Flood Prevention Act to provide for more efficient and economic use of land resources. The Soil Conservation and Domestic Allotment Act would be amended to continue administration of the agricultural conservation payment program on a national basis permanently, and to provide for long term contracts for the diversion of cropland to more economic uses. The Bankhead-Jones Farm Tenant Act would be amended to provide for loans to State and local public agencies to carry out land utilization projects. And the Watershed Protection and Flood Prevention Act would be amended to provide for Federal assistance in public recreation phases of watershed projects, advances of land purchase costs to forestall encroachment of the project site by developments for other purposes, and a cost sharing basis more in line with similar Federal programs.

When the law providing for agricultural conservation payments was enacted in 1936, provision was made for administration of the program by the States on a grant-in-aid basis under State plans. National administration was provided for only on a temporary basis to afford the States an opportunity to enact enabling legislation. Only

about half of the States have enacted such legislation, and only one State has ever submitted a plan. That was the State of Missouri. From time to time, through the past 26 years, the period of national administration has been extended, and it would appear to be time to recognize that the program should be administered permanently on a national basis.

VISIT TO THE SENATE BY DISTINGUISHED GOVERNORS OF THE JAPANESE PREFECTURES

Mr. BOGGS. Madam President, will the Senator from Louisiana yield that I may present to the Senate some distinguished visitors?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. ELLENDER. I am glad to yield to the distinguished Senator from Delaware.

Mr. BOGGS. Madam President, it is my great honor to announce that we have with us today a distinguished delegation of Governors of the Japanese Prefectures. They are here at the Capitol as they near the completion of an exchange visit with American Governors. This morning they were cordially received at the White House by President Kennedy. Our guests include the following:

First. Gov. Iwataro Uchiyama, of Kanagawa Prefecture—vice president of the National Governors Association of Japan.

Second. Gov. Tokichi Abiko, of Yamagata Prefecture—vice president of the National Governors Association of Japan.

Third. Gov. Mikine Kuwahara, of Aichi Prefecture.

Fourth. Gov. Hitoshi Shibata, of Chiba Prefecture.

Fifth. Gov. Sunao Ikeda, of Saga Prefecture.

Sixth. Gov. Choemon Tanabe, of Shimane Prefecture.

(As their names were read, the distinguished visitors rose in their places and were greeted with applause.)

Mr. BOGGS. Madam President, since arriving in Honolulu about 2 weeks ago, the Japanese Governors have also visited Los Angeles, Calif.; Hoover Dam, and Las Vegas, Nev.; Denver, Colo., and surrounding areas; Detroit, Mich.; Niagara Falls; Pittsburgh, Pa.; Knoxville, Tenn., and the Tennessee Valley Authority; and now Washington, D.C. They will visit the great State of New Hampshire later this week and then complete their stay in the United States with visits to Albany and New York City.

This has been a reciprocal exchange visit between the United States and Japan. At its annual meeting in Honolulu last summer, the Governors' Conference of the United States adopted a resolution which, among other things, made the following points:

First. The Governor's conference should help to solidify relations between the United States and Japan.

Second. Japan, as the stronghold of democracy in Asia and a great industrial

nation, has contributed substantially to the cause of the free world by virtue of its economic growth, stability and prosperity.

Third. Exchange visits will serve to stimulate the interchange of ideas and the resolution of common problems, and to promote trade, travel, and culture between the various States, possessions, and territories of the United States and the prefectures of Japan, thus greatly fostering the cause of peace and democracy in the free world.

Accordingly, the Governors' Conference of the United States expressed its approval of a program providing for mutual visitations of Governors between the United States and Japan and directed its executive committee to implement the resolution which has now come to fruition.

I would like to say that this privilege of assisting in the visit of our distinguished guests here today was extended to me, as a former chairman of the National Governors' Conference of the United States. I also am pleased to report that the Department of State of the United States was most cooperative in making the exchange visit possible. The Department provided travel grants to the Governors of the United States, and in addition, provided financial assistance to cover living costs of the Japanese Governors while here in the United States.

Last month a delegation of eight American Governors, headed by Gov. David L. Lawrence, of Pennsylvania, visited Japan. All of them were most impressed by what they saw. I am convinced that their visit to Japan and the visit to the United States by our friends in the Senate will greatly increase international understanding and cooperation between the United States and Japan.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. BOGGS. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. I am delighted to join with the distinguished Senator from Delaware in welcoming our guests, all of whom are governors of prefectures in Japan. I also wish to compliment the able Senator from Delaware [Mr. Boggs] for the great interest and activity he has shown in extending courtesies to our visitors and in making their visit a success.

We are delighted to have these chief executives of their prefectures here in this country. I hope that they will learn a great deal about us as they travel up and down our land.

I express only one regret. It seems to me they will visit every part of our Nation except the Northwest. I feel that in missing the Northwest they will have missed the best part of the country. Perhaps they cannot make a visit there at this time, but at some future date I hope they will be able to do so.

It is an honor and a privilege to have our friends, the distinguished governors of the Japanese prefectures, among us. Again I join my distinguished colleague, the Senator from Delaware, in extending

to them our best wishes and expressing the hope that they will thoroughly enjoy this country and get to understand us a little better, as we would like to enjoy their country and get to understand them a little better.

Mr. BOGGS. I thank the distinguished majority leader for those very splendid remarks.

Mr. DIRKSEN. Madam President, will the Senator yield?

Mr. BOGGS. I am happy to yield to the Senator from Illinois, the distinguished minority leader.

Mr. DIRKSEN. It was my happy pleasure to have a luncheon visit with our distinguished guests. I share the sentiments uttered by the majority leader in complimenting our distinguished colleague, the Senator from Delaware [Mr. Boggs] in making possible the rather felicitous luncheon at which the hand of fellowship was so cordially and royally extended.

It is a great pleasure to have the Governors of the Japanese Prefectures with us. In other years, we have been honored by visits from various Prime Ministers of Japan. But the Governors of the prefectures live close to the people. They will have an opportunity to observe while they are here, and will be able to carry back many distinct impressions directly to the people of Japan. Such contact can only be conducive to good feeling and perpetual friendship. So I join with our distinguished friend, the Senator from Delaware, in extending to all of the Governors of the prefectures a warm hand of friendship. We are delighted to have you with us, and hope you will enjoy your visit in our country.

Mr. BOGGS. I thank the distinguished minority leader for his interesting and splendid remarks.

Mr. FONG. I should like to join in extending our congratulations and welcome to our visitors from that great Eastern empire, the Empire of Japan.

I have been in Japan four times, and I have always been impressed with the tremendous prosperity, industriousness, and growth of that country.

Approximately 30 percent of the people of the State of Hawaii are of Japanese ancestry. In our State during the past year we celebrated the 75th anniversary of the coming to that State of the first immigrants of Japanese ancestry.

The people of Japanese ancestry who live in the State of Hawaii—and most of them are American citizens—have contributed immensely to the prosperity, growth, and welfare of our island State. We are truly indebted to them.

I wish to thank the Governors of the Japanese Prefectures for visiting us in my State and for visiting other parts of the United States. We welcome their visit. I know they will carry back with them a fine impression of our people and our American Government, as I have carried away from Japan on each of my visits, a fine impression of the Japanese people and their Government.

I hope that they will have a very pleasant stay in our country.

FOOD AND AGRICULTURAL ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Madam President, the agricultural conservation program provides for payments to assist in carrying out conservation practices on an annual basis. In order to provide for longer term diversion of cropland to more economic uses, section 101 of the bill authorizes such diversion contracts with farmers covering up to 15 years. This program would be somewhat similar to the conservation reserve program and the Great Plains program, but would permit the land to be diverted to purely recreational purposes or nonagricultural purposes, as well as soil-, water-, forest-, and wildlife-conserving uses. This program would be undertaken on a pilot basis, payments and other financial assistance being limited to \$10 million in any calendar year.

Section 102 of the bill would amend title III of the Bankhead-Jones Farm Tenant Act, which has been dormant for many years, to provide for loans to State and local public agencies to assist them in carrying out land utilization programs. Such programs would provide for the more economic use of the lands covered by them, including recreational use and the protection of fish and wildlife, as well as for most of the very broad purposes now covered by the law. Title III of the Bankhead-Jones Farm Tenant Act at present is applicable only to submarginal lands, provides for acquisition and management of such lands by the Secretary, and provides for assistance to State and local organizations only in developing plans rather than in carrying them out. Under the bill, title III would be applicable to all lands.

Madam President, the acquiring of land was one of the most contentious parts of title I. I say now that the Secretary's authority to acquire lands would be repealed, and assistance would be provided to State and public agencies to carry out as well as to develop plans. The program, therefore, would become a loan program rather than a direct action program. In line with the change in this authority to one of State and local aid, loans could be made only to agencies designated by the State legislature or Governor, and only with respect to plans not disapproved by the supervisory State agency. Loans in excess of \$250,000 would require approval of the two committees of the House and Senate which deal with agriculture.

Under this authority rural renewal plans might be carried out under which land would be devoted to uses designed to benefit disadvantaged areas and make

them attractive to private investment and enterprise.

Section 103 would amend the Watershed Protection and Flood Prevention Act to permit the Federal Government to bear up to one-half of the land costs for reservoirs or other areas in watershed projects to be devoted to public fish and wildlife or recreational development, or to facilities for public access and use of such areas. It would also permit the Government to bear a part of the installation costs in connection with recreational phases of such projects—as is now done in the case of fish and wildlife. Section 103 would also permit the Government to advance funds to project sponsors for the immediate acquisition of project lands before they can be diverted to other uses inconsistent with the project, and provides that installation cost sharing by the Federal Government and the project sponsor shall be based on national needs and on assistance authorized for similar purposes under other Federal programs rather than on direct identifiable benefits.

Mr. COOPER. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I wish to comment on the provisions the Senator has been discussing, in title I of the bill, which I think a very valuable and constructive section as reported by the committee. The provisions of title I can be used to help develop the recreational resources and the natural tourist values of areas in eastern Kentucky and other States.

Is it correct that when the bill came to the committee the section provided that the Secretary of Agriculture could purchase land, or could even condemn and take land, and that the Department of Agriculture could operate recreational facilities?

Mr. ELLENDER. The Senator is correct. The Senator was one of those who led the fight before the committee, with others, to strike that provision from the bill and to require that the Federal Government would not be in a position to establish another bureau to develop recreational facilities.

Mr. COOPER. I think nearly every member of the committee agreed from the very beginning that the power of eminent domain, to take land by condemnation, should not be given.

Mr. ELLENDER. Yes. I did, too.

Mr. COOPER. I think it is important to point out, as the Senator has pointed out, that the programs to establish recreation areas—with the exception of the land-use agreements with farmers in section 101—would be operated by local agencies. The power to develop, approve and carry out these conservation, recreation and other land-use plans would be reserved to the local governmental agencies or to other agencies, under both section 102 and 103, the Bankhead-Jones and small watershed amendments.

Mr. ELLENDER. The Senator is exactly correct. That, of course, made it possible for all of us to support it.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I understood the Senator to say that the changes made in title I were such that all Senators on the committee could support it. I do not think the Senator intended to go quite that far. As I recall, three or four Senators would not support title I as rewritten.

Mr. ELLENDER. I am sorry; I had understood that everyone was for it, with that provision out.

Mr. HOLLAND. Madam President, if the Senator will yield further, the Senator from Florida was not for that provision.

The Senator from Florida would not object to the provision for the modification of the Watershed Protection and Flood Prevention Act, or of the Soil Conservation and Domestic Allotment Act, but would object to the modification of the Bankhead-Jones Farm Tenant Act.

The Senator from Florida felt, as he still feels, that to enlarge coverage of the Bankhead-Jones Farm Tenant Act so as to deal not alone with people—that is, tenants and farmers on submarginal farms, so as to allow them to become more economical producers and more stabilized producers—but also to include loans to States, loans to counties, and loans to public units of all kinds for recreational purposes would be a great departure, and, in effect, would be doing something toward the accomplishment of rural renewal—that is what the learned Secretary of Agriculture called his first program—indirectly rather than through direct means, as first it was to be accomplished.

With all due respect to the distinguished Senator, who has made a very valiant effort in support of the bill, though there are many phases of the bill which the Senator from Florida can and will support, the Senator from Florida wishes to make it clear that he could not support the proposed amendment to the Bankhead-Jones Farm Tenant Act, because it seems to him it would depart entirely from the original, the worthwhile, and the established scope of that act, and would make it—though by a little less objectionable policy—the instrument of what the Secretary calls rural renewal, as much as would have been the case if the loans could have been made to individuals for recreational and fish and wildlife purposes.

I thank the Senator for yielding.

Mr. ELLENDER. In any event, the main burden of the argument against the provision was, as the Senator remembers, on the ground that the measure would give the Secretary of Agriculture unlimited power to purchase all the land he desired. This, then, would have laid the groundwork to create a new bureau charged with the administration of the Nation's needs. In fact, as I recall, we removed all of such provisions from the bill and left this matter entirely in the hands of the local agencies. By limiting the amount to be spent on the program to \$10 million a year, the proposal would be more or less a pilot program.

I had really overlooked the fact that the Senator from Florida still objected. If he says he did, that is it.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I certainly agree that the most objectionable feature of all was removed, because the changed bill would prevent the setting up of a large bureaucracy which would be controlled solely from Washington by one individual. He would be able to take over not only submarginal lands, but fine producing lands, residential lands and industrial property in order to develop recreational facilities.

But the Senator from Florida still thinks that the bill goes too far in permitting the taking over of lands other than marginal lands and in going into what is really a rural renewal program.

SURPLUS DISPOSAL UNDER PUBLIC LAW 480

Mr. ELLENDER. Madam President, title II of the bill makes several changes in title IV of Public Law 480 of the 83d Congress. At present title IV of Public Law 480 provides for long-term dollar credit sales of surplus agricultural commodities to friendly foreign countries to assist in their economic development. The Secretary of Agriculture, under section 404 of the law, is required to take reasonable precautions to avoid replacing any sales which he finds would otherwise be made for cash dollars. Deliveries are made over periods extending up to 10 years, with payments being made over periods extending up to 20 years. The amendments made by the bill would make it clear that such sales might be made for the purpose of developing agricultural trade, and would authorize the making of such sales to financial institutions representing friendly countries, or, upon reasonable security, to the private trade. Payment terms would be relaxed to the extent of providing for reasonable annual payments, instead of approximately equal annual payments, and permitting the first payment to be deferred for up to 2 years after the date of the last delivery in each year. It is believed that this expansion of authority will provide additional opportunities to dispose of surplus commodities, and also make it possible to make some sales for dollar credit under title IV which otherwise could be made only for foreign currencies under title I. Where the law now requires the Secretary to seek participation by other exporting countries, which results in delays in completing agreement, the bill would provide authority to the President to permit participation by other exporting countries. The bill also requires the President, in carrying out title IV, to assure that private trade channels are used and to give special consideration to agricultural trade development in the same manner that he is now required to give with respect to agreements under title I of Public Law 480. Of course neither these amendments, nor does the law, authorize sales of surplus U.S. agricultural commodities to the private trade for its own use, or for resale, domestically.

COMMODITY PROGRAMS

Title III of the bill deals with feed grains and wheat. It extends the 1962 feed grain program for 1 additional year;

and gives wheat producers a choice between extension of the 1962 wheat program for 2 additional years, and a new wheat program providing for more effective marketing quotas coupled with a marketing certificate program.

Mr. COOPER. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I should like to turn back briefly to title II. The bill as it is reported permits the President to enter into sales agreements with "financial institutions acting in behalf" of other countries. I would assume that any kind of agreement which our country made with other countries would have to be made through the State Department.

Mr. ELLENDER. It would have to be handled through diplomatic channels.

Mr. COOPER. What is the point, then, of providing that this country can enter into an agreement with a financial institution of another country?

Mr. ELLENDER. The point is that it would provide additional flexibility in making dollar credit sales. The agreements provide that the proceeds of the sales can be used to help develop the country economically. The country's central bank could do this in behalf of the country. To my way of thinking that would make it possible for the bank to lend the proceeds to private individuals to build factories and other facilities within the country so as to develop more trade, and thereby get more dollars with which to pay us.

Mr. COOPER. I understand; but does not the Senator believe it would be rather difficult for our country to enter into an agreement with a private bank or financial institution in another country without the consent of the government of the friendly nation with which we deal? It seems to me it would be almost impossible, if not impossible, for the United States to enter into an agreement with a bank or a private financial institution in another country without the consent of the government of that country.

Mr. ELLENDER. I ask the Senator to refer to page 28 of the report.

Mr. COOPER. I have it before me.

Mr. ELLENDER. I read from page 28:

Financial institutions acting in behalf of friendly nations: Section 402 of the act would be amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.

This will permit the President to enter into sales agreements with government banking institutions of other countries such as central banks or similar institutions and thereby give greater flexibility in negotiating title IV sales agreements.

The main purpose of the provision is to allow private enterprise of the country involved to engage in the development of their own country economically, rather than to depend on the government. It is my understanding that when governments build commercial facilities they are prone to nationalize them. The bill also would enable private individuals, either through banking institutions or otherwise, to purchase surplus agricultural commodities; sell them

within their own country; and then use the proceeds to construct factories or other facilities, thereby creating more business. That will mean that we will need less foreign aid dollars. I believe that such a program as is envisioned in the pending bill, even though it would mean a lapse of several years before we would be repaid, is far more preferential to giving away surplus agricultural commodities and receiving nothing in return.

Mr. COOPER. I know that similar arrangements have been made with other countries through the governments themselves; but I do not believe the Senator is referring to the governments in this instance.

Mr. ELLENDER. The Senator is correct. The bill extends the law to provide for sales to financial institutions acting in behalf of friendly nations, and for sales to the private trade.

Mr. COOPER. In the same title, there is another provision which troubled me when it was embodied in the bill by the committee. It relates to sales agreements with the private trade, both in this country and in other countries. I shall not take time now to discuss it, but while the bill is under consideration I wish to have that item developed—to show why it is desired to permit the Department of Agriculture to enter into transactions with the foreign and United States private trade upon the same terms and conditions that are now applicable to government-to-government sales agreements.

Mr. ELLENDER. That, again, is with the idea of trying to develop private business within the host countries. It is another effort to obtain dollar sales rather than to depend upon the soft currencies of the countries. Whenever we deal directly with those countries under title I of Public Law 480, they provide repayments in their own soft currencies, and the soft currencies are usually used within the borders of the host countries; they are of no use to us. So the more credit sales under title IV of Public Law 480 we can promote under which the payments would be in dollars, I believe the better off we shall be, even though the repayments are long-term payments, especially when the proceeds of the sales are used to develop the country economically. I would rather enable a banking institution or a private entrepreneur in some country to construct a factory or other facility there, or develop the economy of the host country, than to let the government itself do it. We should stimulate private enterprise. That is one of the main purposes behind the provision.

I have before me an explanation of the purpose of the provision. It appears on page 219 of the hearings on the Food and Agriculture Act of 1962. It is the first complete paragraph beginning near the top of the page. I ask unanimous consent that the paragraph be printed at this point in the RECORD.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

Question (f). How will the proposed agreements with the private trade work?

USDA statement: The Department of Agriculture is currently considering various methods under which long-term supply and credit sales agreements with the private trade would be carried out. Under one of several alternative methods, the Commodity Credit Corporation could undertake to finance the exportation of U.S. surplus agricultural commodities through procedures generally paralleling Title IV Government-to-government sales agreements. Under this alternative, the principal differences would be that the sales agreement would be with a United States or foreign private trade organization and, in lieu of the guarantee or commitment of a foreign government to make dollar repayments of principal and interest, a United States or foreign bank guarantee would be required. The commodities, quantities, credit terms, uses of sales proceeds for specific projects, and other conditions involved in the private trade proposals would be reviewed by the Department of Agriculture to assure that the sale on credit terms will carry out the legislative purposes and that such sale otherwise constitutes a financially sound undertaking and will result in expansion of dollar markets for U.S. surplus agricultural commodities which would not likely be undertaken through private or other means.

In addition, the Department is considering an arrangement under which U.S. commercial banks rather than the Commodity Credit Corporation would finance the exportation of the commodities. Under this approach, commercial banks would be given the option of utilizing their financial resources for long-term overseas investment with the Commodity Credit Corporation participating through a guarantee of the bank against losses. The extent of the commercial bank and CCC's participation in such arrangements would be worked out with the banks.

The Department is also reviewing the possibility of extending long-term supply and credit terms to the private trade through appropriate modifications in the CCC export credit sales program. Under this program commodities in CCC inventories are sold to U.S. exporters on a deferred payment basis with the U.S. exporter passing along the deferred payment terms to foreign buyers.

Mr. HOLLAND. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Am I not correct in understanding that the right to deal with private trade, which has just been discussed between the Senator from Louisiana and the Senator from Kentucky, relates only to underdeveloped countries?

Mr. ELLENDER. The Senator is correct. As I said before, the goods must be sold, disposed of, and used in the underdeveloped countries of the world. That is the entire purpose of the provision.

EXTENSION OF 1962 FEED GRAIN PROGRAM

Subtitle A of title III extends the 1962 feed grain program for 1 year without material change. The support level for corn would be not less than 65 percent of parity, with price support for grain sorghums, barley, oats, and rye at fair and reasonable levels in relation to corn.

As a condition of price support for corn and grain sorghums, producers would be required to participate in a special agricultural conservation program for those commodities to the extent prescribed by the Secretary and not increase their barley acreage above their average for 1959 and 1960. As a condi-

tion of price support for barley, producers would be required to participate in a special agricultural program for barley and not increase their corn and grain sorghum acreage above their average acreage for 1959 and 1960. The same exemptions provided by the 1962 program for malting barley and for summer fallow farms producing barley on acreage fallowed for wheat are carried in the proposed 1963 feed grain program.

Under the special agricultural conservation program for corn and grain sorghum, payments would be made to producers for diverting acreage from those crops to conserving uses and not increasing their barley acreage. Correspondingly, under the barley program payments would be made to producers diverting acreage from barley to conserving uses and not increasing their corn or grain sorghum acreage. Payments in cash or kind at up to 50 percent of the normal production multiplied by the estimated support rate would be made for diversion of 20 percent of the average acreage planted to corn and grain sorghums, or barley, in 1959 and 1960, or up to 20 acres, whichever is greater.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I understand the Senator from Louisiana proposes to offer an amendment as a substitute for the mandatory feed grain provision now in the bill.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. Does the Senator plan to provide an exemption for malting barley?

Mr. ELLENDER. I expect to do so.

Mr. YOUNG of North Dakota. Does the Senator plan to offer that amendment now, or later?

Mr. ELLENDER. I shall offer it at the conclusion of my remarks, or at some time before the Senate recesses today, so that the amendment may be printed.

Mr. YOUNG of North Dakota. May I ask the Senator if he would accept an amendment to his amendment at that time?

Mr. ELLENDER. When I offer the amendment?

Mr. YOUNG of North Dakota. Yes, at that time or when his amendments are considered by the Senate.

Mr. ELLENDER. Yes; I shall be glad to cooperate with the Senator from North Dakota, because the amendment relates to his area of the country, and he knows much more about the subject matter than do I. I shall be glad to cooperate with him in that respect.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. In connection with the amendment which the distinguished Senator from Louisiana proposes to offer, to substitute for the voluntary program a compulsory program, does the Senator expect to eliminate from the coverage of the compulsory acreage program deficit States, where not enough feed is produced to take care of

the needs of cattle, livestock, poultry, dairying, and the like?

Mr. ELLENDER. There would be a provision protecting areas in which there was a shortage of feed. In other words, the Secretary of Agriculture would have the right to designate areas and regions in which deficits appear, and nonquota production might be allowed for local consumption.

Mr. HOLLAND. Madam President, if the Senator from Louisiana will yield further, let me ask whether, in connection with giving this power to the Secretary of Agriculture, he intends to require that such deficit areas shall be fixed by States, by counties, or in some other way.

Mr. ELLENDER. That is one thing the Senate will have to decide. It is rather difficult to say whether it will be by counties, or by regions consisting of a State, or perhaps one State and part of another State. It is rather difficult to define the "area." Up to now, we have decided to make the provision as broad as possible, without limiting the area to one or two counties. The "area" may be an entire State, or perhaps a State and a fraction of another State.

But the Senator from Florida is cognizant of the fact that in the committee we discussed this question, and there was considerable discussion in regard to what an "area" should be or how it should be defined. In the Senate debate on the bill, we may find some happy-medium solution in regard to deciding what an "area" shall contain.

Mr. HOLLAND. Madam President, if the Senator from Louisiana will yield further, let me say that I hope he will seriously consider limiting to States the "area" definition which may be determined by the Secretary of Agriculture—or, if not, at least provide that it must consist of a group of counties, so that no one county will be divided, because otherwise there would be a very disturbing problem.

Mr. ELLENDER. The Senator from Florida knows that that is a very difficult problem with which to deal, for, as he knows—in fact, I think he pointed this out several times in the committee—when there was in the law the commercial corn area provision, many counties of his State were included along with counties in Mississippi and Alabama. In the areas of his State in which the counties were included in the commercial corn area, it would be rather difficult to state that those are areas in which feed is in short supply. The Secretary of Agriculture would have to prepare or submit some regulation to justify any action he might take in dealing with feed, and stating that certain areas were really and truly areas with feed-grain deficits.

Mr. HOLLAND. I realize that that is a disturbing question.

Mr. ELLENDER. It is.

Mr. HOLLAND. But I invite the Senator's attention to the fact that the definition of "commercial corn area" in the old law, to which the Senator from Louisiana has referred, was not based on the question of whether corn was

produced to be shipped outside; instead, as I recall, it was based on the percentage of the total production in the county which was devoted to corn production.

Mr. ELLENDER. Yes. It may be that the Secretary of Agriculture would find that although in a county, perhaps only 15 or 20 percent of the land might be planted to feed grains, yet that might be enough to supply the needs in that county.

The Secretary of Agriculture will be confronted with such problems in fixing the definition of the term "area"; and I hope we can devise some way to deal properly with them. So I invite the Senator from Florida to consider this problem before he sleeps tonight, in hopes that he can arrive at a decision as to what he desires to have done in that connection. I hope the Senate will provide that areas that are absolutely in deficit, insofar as the production of feed grains is concerned, should not be put in the same category with those in which there is an abundance, a good deal of which is exported to other States or to other counties of the same State.

Mr. HOLLAND. Madam President, will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am afraid the Senator from Louisiana is inviting me to have a sleepless night, because the problem is most disturbing.

Mr. ELLENDER. Yes; it is.

Mr. HOLLAND. However, I want the RECORD to show that various members of the committee, of whom I am one, come from areas in which livestock production has been increasing very rapidly—I refer to the production of hogs, dairy cattle, and poultry—and in which, notwithstanding the great increase in our production of feed grains, it is still necessary to import large amounts from beyond our State borders. So we are very much disturbed about the idea of reducing the present acreage, which as yet is not sufficient to take care of our own needs. I believe we are more disturbed about this one provision than about any other in the bill, as I am sure the Senator from Louisiana realizes.

Mr. ELLENDER. Yes, I realize that; and I am sure the discussions we have had indicate it.

Nevertheless, I do not wish to leave large loopholes through which "a big train" might run and proceed to make the program useless. Neither of us wishes to have that happen.

Mr. HOLLAND. Madam President, the Senator from Louisiana has been exceedingly fair and patient, and I commend him in every way.

Yet I want the RECORD to show that in our State, for example, which is very remote from the heavy feed-grain producing States, the added transportation cost for feed grains brought in from distant areas makes this problem much more difficult than it would be if we had an immense corn-producing area right next door to us. I am sure the Senator from Louisiana knows that Senators who come from various other States also have the same problem—although, I suspect, not quite as acutely as our

State has had, because their States are not as far removed from the producing areas.

So I invite the Senator from Louisiana to remain sleepless with me tonight in trying to arrive at a solution of this problem; and I am hopeful of the results, because he generally arrives at excellent solutions.

Mr. ELLENDER. I thank the Senator from Florida.

Mr. BURDICK. Madam President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. BURDICK. I ask whether the amendment of the Senator from Louisiana in regard to the feed grains section would deal with corn silage.

Mr. ELLENDER. It would; and I am very hopeful of submitting that amendment sometime this afternoon. The silage provision would be more or less on a historic basis; in other words, we do not wish to deny it to those who used that method before; and I think it would do justice to what the Senator from North Dakota has in mind.

Mr. BURDICK. I thank the Senator from Louisiana.

Mr. ELLENDER. I believe it would also care for the few objections on this subject which were raised by members of the committee when the bill was being considered.

We are trying to prevent the piling up of dry corn, as the Senator from North Dakota knows; that is the main objective. Yet we must be very careful not to make it possible for farmers to grow silage for their stock, but later sell it, and make Uncle Sam the chief purchaser. We do not want to leave gaping loopholes to remain. A workable provision is our thought. I now return to my prepared text in discussing the pending bill. Payments in kind only at up to to 60 percent of the normal production multiplied by the estimated support rate could be made for diversion of up to an additional 20 percent of such average acreage.

In the event of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of feed grains, the Secretary could limit the extent to which producers might participate in the program.

Madam President, this shows that we have not left anything undone. We are trying to provide for every kind of emergency; and I am hopeful that Senators will carefully study the bill, particularly the amendments I propose to offer, regarding both the feed grain provisions and the wheat provisions.

As in the program originally provided for 1962, producers could divert to castor beans, guar, safflower, sunflower, or sesame, with the Secretary's approval, instead of to conserving uses, and in such case they would not receive payments but would qualify for price support. Since the bill was reported from committee, H.R. 11413 was passed by the Senate to permit diversion under the 1962 program to non-price-supported field crops and flax and to permit payment for diversion to the specified crops at up to 50 percent of the rate for diversion to conserving uses. The amend-

ments made by H.R. 11413 to the 1962 program have not been incorporated in the bill.

WHEAT: FIRST ALTERNATIVE

Subtitle B of title III gives wheat producers a choice between a new wheat program, which would be permanent, and a 2-year extension of the 1962 program. The new permanent program is covered by sections 310 through 325 of the bill. It would revise and strengthen the wheat marketing quota law, require the acreage diverted from wheat to be kept out of the production of surplus commodities or other commodities which might impair the program, provide for diversion of payments for the first 3 years of the program, and provide for a marketing certificate plan.

Under the revision of the wheat marketing quota law, the current 55-million-acre-minimum national acreage allotment would be replaced by a minimum national marketing quota of 1 billion bushels, which would be converted into an acreage allotment on the basis of expected production. The 55-million-acre-minimum allotment has been the principal source of trouble in the wheat program. It was enacted when average yields were 13.3 bushels per acre. In 1960-61 they were at 26.2 bushels per acre, so that the minimum allotment now produces about twice as much wheat as when it was first provided for. Quotas could be proclaimed and submitted to a producer referendum under the bill for 1, 2, or 3 years at a time. The amount of the marketing quota, however, for each year for which quotas are so made effective would have to be separately determined and proclaimed. In converting the national quota into a national acreage allotment, allowances would be made for expected underplantings of allotments, increases in allotments for small farms, and expected production above allotments under the small farm exemption, to the end that the national acreage allotment would as nearly as possible result in the production of the national marketing quota.

The special provision for increasing Durum wheat acreage enacted last year would be made permanent. A somewhat similar provision would be added to the law authorizing the Secretary to increase the allotments of farms producing other kinds of wheat whenever necessary to provide for the production of adequate supplies of those kinds of wheat. In the event of any such increase, the entire farm acreage allotment would have to be devoted to the kind of wheat for which the increase was given. This will permit the Secretary to provide for adequate supplies of any kind or class of wheat having special properties desired by millers and others, whenever such action appears to be necessary to insure adequate supplies.

The 30-acre feed-wheat exemption, under which producers can plant up to 30 acres of wheat if the entire crop is used on the farm where produced for food, feed, or seed, would be repealed.

In lieu of the old 15-acre provision under which any farm could plant up to 15 acres of wheat even though it had no prior wheat history, the bill provides

that any farm may plant up to its small farm base acreage. The small farm base acreage for any farm in its average acreage for the 3 highest years during a 5-year representative period—with adjustments for abnormal weather conditions, crop rotation practices, and other appropriate factors—but in no event more than 15 acres. Thus, if the farm's adjusted average 3-year acreage of wheat was 7 acres, the farm could harvest up to 7 acres of wheat without being subject to penalty even though that exceeded its allotment. In addition to providing this exemption, the bill provides minimum allotments equal to the same percentage of the small farm base acreage determined for the 3 highest years during 1957 through 1961 as the national allotment for the crop is of 55 million acres. This would tend to give all farms, large and small, allotments which represent about the same percentage of their plantings in the period 1957-61. Thus, in the example just given of a farm with a small farm base acreage of 7 acres, if the national acreage allotment were, for example, 80 percent of 55 million acres, the minimum acreage of seven acres, if the national be 80 percent of 7 acres, or 5.6 acres. The operator of a farm entitled to an exemption could, if he so desired, elect to be subject to the marketing quota program and would then be bound by his acreage allotment. If he failed to make an election, his small farm base acreage, or his farm acreage allotment, whichever was larger, would be deemed to be his acreage allotment for penalty purposes; he would not be required or permitted to participate in the diversion program; he would not be eligible for price support; he would not be eligible for marketing certificates; and he would not be eligible to vote in the marketing quota referendum.

This provision would permit farms which have been taking advantage of the 15-acre exemption to continue to plant the same amount of wheat as they have in the past. It would, however, close a very considerable loophole in the law by preventing farms with no previous wheat history and no wheat allotment from planting wheat.

By giving farms which have been taking advantage of the 15-acre exemption allotments more nearly commensurate with their past wheat acreages, the bill would encourage them to comply with their allotments and reduce their acreage by the same percentage that other farms reduce their acreage. This would give the previously exempt farmer a realistic opportunity to participate in the program and become eligible for price support, diversion payments, and, most important, marketing certificates; and, of course, voting for or against the program. Since a portion of the support and market prices for wheat under the certificate program will be represented by the certificate, the exemption loses much of its value to farmers who intend to market their wheat, and the proposed minimum allotment will be of great assistance to them. It will also be helpful to the soft wheat millers, much

of the soft wheat being grown on less than 15-acre wheat farms.

Wheat producers would be prohibited from planting acreage diverted from wheat to crops in surplus or to crops which might impair the program. The acreage considered to have been diverted from wheat would be the amount by which the farm acreage allotment is less than it would have been if the national allotment had been 55 million acres.

The penalty per acre for failure to divert such acreage from production would be 65 percent of the parity price for wheat multiplied by the normal yield of wheat per acre for the farm.

For the years 1963 through 1965 payments would be authorized for such diversion at not more than 50 percent of the basic county support rate on the normal production of the diverted acreage, and the Secretary could permit producers to divert an additional 20 percent of the farm acreage allotment and receive payments thereon. In addition, any producer could divert such further additional acreage as might be necessary to bring his entire diversion up to 15 acres and receive payments thereon.

In return for such payments, producers would assume the further obligations of devoting the diverted acreage to conservation uses approved by the Secretary; increasing the total acreage devoted to soil conserving uses on the farm by the amount of the diverted acreage; and keeping within the farm acreage allotment for each commodity produced on the farm and, except as the Secretary might otherwise prescribe, within each acreage allotment on any other farm in which the producer has a share. A wheat acreage allotment would not be considered as violated, however, if the entire amount of the farm marketing excess were delivered to the Secretary or stored to avoid payment of penalty, or if the farm on which the excess wheat was produced was exempt from marketing quotas under the small farm exemption.

The bill provides for more stringent marketing penalties in a number of respects. The farm marketing penalty would be 65 percent of parity, the same as for 1962, but higher than the 45 percent of parity provided by the existing law for 1963.

The farm marketing excess upon which the penalty would be paid would be twice the normal production of the excess acreage, or the actual production of the excess acreage if the producer establishes the actual production. This provision is similar to that in effect for 1962, but more stringent than the existing law applicable to 1963 under which, in the absence of any showing by the producer, the marketing excess would be equal to the normal production of the excess acres. Unlike both the law applicable to 1962 and the existing law applicable to 1963, the bill does not include the so-called Christmas amendment, under which the marketing excess cannot exceed the amount by which the actual production for the farm exceeds the normal production for the farm acreage allotment. The bill is therefore more stringent than either the existing

law or the special law applicable to 1962. Until the penalty is paid or postponed in accordance with the law not only would the crop of wheat produced in violation of the allotment be subject to a lien for the amount of penalty as at present, but also all subsequent crops subject to marketing quotas in which the producer had an interest would be subject to such a lien.

If the buyer of the wheat failed to collect the penalty, as he is required to do by existing law, all persons entitled to share in the wheat would be jointly and severally liable for the penalty, and all persons liable for payment or collection of the penalty would also be liable for interest at 6 percent per annum.

MARKETING CERTIFICATION AND PRICE SUPPORT

In addition to tightening up the marketing quota program as just discussed, the bill provides for superimposing upon it a marketing certificate program. Under this program marketing certificates would be issued to producers for the estimated amount to be used for human food in the United States and such part of estimated exports as the Secretary determines necessary in order to achieve the price and income objectives of the bill. Wheat accompanied by certificates would receive price support at 65 to 90 percent of parity, while wheat without certificates would be supported at a level determined appropriate in view of world prices, feed value, and feed grain support prices. Marketing certificates would have a face value equal to the difference between these two support prices. Processors and exporters would have to obtain certificates for the wheat processed by them into food products or exported. They might obtain these from producers, from other persons who had obtained them from producers, or from the Commodity Credit Corporation. Producers would have to market their certificates with wheat, but after the first sale the wheat and the certificates could move together or separately. The Commodity Credit Corporation could issue, buy, or sell certificates in order to facilitate operation of the program.

Thus producers would receive between 65 and 90 percent of parity on that part of the production from their allotments representing their share of the domestic and export market, and probably about the feed value for the remainder of the production from their allotments. The cost of wheat to millers for domestic food use, including the value of the certificate, would be maintained at a fair price, and the price of wheat for export could be kept competitive through a combination of marketing certificates and export subsidies. The certificate would assist in regulating prices so that part of the wheat might be allowed to move at a lower price for feed or other secondary purposes, while wheat for domestic food or export would be maintained at a higher level.

Each farm's share of certificates would be determined by multiplying its normal yield times its farm acreage allotment times a uniform percentage factor. However, no farm could receive more than the normal yield of its actual planted acreage plus the amount of prior

crop wheat stored to avoid penalty which is released from storage on account of underplanting.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. How would the normal yield per acre be determined? Would that be on the basis of actual production in previous years?

Mr. ELLENDER. It would be the average yield of the last 5 years, adjusted for abnormal weather conditions and trends in yields. If on account of any uncontrollable natural cause, the yield for any of such 5 years is less than 75 percent of such average, 75 percent of the average shall be substituted for the actual yield for such year. Similarly, if because of abnormally good weather, the yield is in excess of 125 percent of such average, 125 percent of the average would be substituted for the actual yield for such year. After such substitutions the average would be recomputed and that would be the normal yield.

Mr. YOUNG of North Dakota. It would not be adjusted down to the county yield, if it were above, would it?

Mr. ELLENDER. The Senator is correct. It would not.

Mr. YOUNG of North Dakota. This certainly is quite a change from previous years. I think that using the best 3 out of 5 years is an improvement.

Mr. ELLENDER. As the Senator knows, we would not change the law with respect to the distribution of the national quota to States and to counties.

Mr. YOUNG of North Dakota. I thank the Senator.

Mr. ELLENDER. Marketing certificates and price support would be limited to producers complying with the wheat acreage diversion requirements of the bill for the farm and with all allotments on all farms for all commodities in which they have an interest; except that no wheat acreage allotment would be deemed exceeded if the marketing excess were stored to avoid penalty; a producer would not be denied eligibility for such benefits with respect to one farm by reason of planting wheat within an exemption on another farm; and the Secretary could provide additional exceptions to the requirement of cross-compliance between different farms where that appeared advisable. Also, if marketing quotas are not in effect, the eligibility requirements for price support would be as they are under existing law, without the mandatory cross-compliance features just described. If marketing quotas should not be in effect because of producer disapproval, the support level would be not more than 50 percent of parity. If they should not be in effect because a national marketing quota was not proclaimed, the support level would be, as provided by existing law, at between 75 and 90 percent of parity, the minimum within that range depending on the supply situation.

SECOND ALTERNATIVE: EXTENSION OF 1962 PROGRAM FOR 2 YEARS

At the quota referendum for the 1963 crop wheat producers would be given a

choice between the wheat provisions just described and a 2-year extension of the 1962 program. If they chose extension of the 1962 program, the provisions of the bill just described would be of no further effect, the 1962 program would be extended for 2 years, and the existing permanent law would become effective again for the 1965 and subsequent year crops.

In other words, if the alternate plan is adopted it will result in an expenditure by the Government of over \$650 million, and we would revert to the same old law which has been giving us so much trouble. That is why I said I believe that part of the bill should be stricken. I hope to present an amendment which would do exactly that.

Under the 1962 program, after the 55-million-acre national allotment is apportioned to farms, each farm allotment is reduced 10 percent. Price support is restricted to producers participating in a wheat-diversion program. Participants in the diversion program are paid in cash or kind at 45 percent of the support rate times the estimated yield of the diverted acreage for diverting the 10-percent allotment reduction to conservation, and at a 60-percent rate for similarly diverting up to an additional 30 percent.

I have been describing the alternate plan.

LOAN PROVISIONS

Title IV makes several changes in the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936.

The changes in the Consolidated Farmers Home Administration Act would specifically include recreational uses among the purposes for which real estate or operating loans for land and water development can be made; would include changes in land use, recreational facilities, and sewers in the purposes for which loans could be made to associations; and would increase the amount of direct loans which could be made from the Agricultural Credit Insurance Fund for immediate resale as insured loans from \$10 million to \$25 million.

The amendments to the Rural Electrification Act of 1936 are designed to provide for a more accurate presentation of the REA budget. Whereas at present the budget shows all of the funds authorized to be used for REA loans as a new authorization, and separately shows repayments and other receipts from REA loans, the procedure contemplated by the bill would make it clear that only the net excess of loans over receipts should be shown as new funds. The bill provides for a loan account into which all appropriations, Treasury borrowings, loan collections, and other funds of the REA would be placed. Loans could then be made from the fund only in amounts authorized in appropriation acts. Full congressional control over the fund would be maintained, but such control would be maintained through congressional authorizations to make loans from the fund, rather than through appropriations which appear to provide new money, but which actually may only replace loan receipts covered into the Treasury.

INDUSTRIAL USES

Title V of the bill provides for a new agency within the Department of Agriculture to coordinate activities directed toward the development of industrial uses for agricultural commodities and the development of new crops. It provides still another method of attack against surpluses. This title, except for a slight change in the name of the proposed agency, the omission of provisions for expansion of present industrial and commercial uses; and the omission of a section dealing with scholarships, is identical to S. 690 as it passed the Senate in the 86th Congress.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. CLARK. First, I congratulate the Senator from Louisiana on the very masterful presentation he has made of a most complicated question. The pending bill, with the amendments which the Senator has proposed, will make a very real contribution to the solution of a most difficult problem.

As the Senator knows, I come from a State in which the consumer interests in agriculture are largely paramount. Two agricultural problems concern us. First, we wish to make sure that the price of feed grains, while entirely fair to the growers, does not go so high as to put our poultry industry and, to a lesser extent, our dairy industry, in real trouble in terms of cost. As I understand, the proposed amendment on feed grains which the Senator is supporting is the administration proposal. It would not substantially increase the present price of feed grains, and it would probably result in a substantial saving to the taxpayers through a smaller carryover. Is that generally correct?

Mr. ELLENDER. The Senator is generally correct. There is no doubt about it. The program I have advanced is sure to save on storage and other costs. As I pointed out, the program last year cost in excess of \$780 million. It is true that we have the corn that has been taken over on hand, and on a long-term basis we may get some of that amount of money back. Some of the corn we may have for 4, 5, 6, or 10 years. The bill in effect would tell a farmer, "If you expect Uncle Sam to continue to support the price of corn, you must agree to curtail production in keeping with our national requirements."

I say that such a provision would be fair. Instead of an open-end law which would permit the grower to produce all he desired without restrictions, we seek that kind of curtailment.

Mr. CLARK. I agree that it is most important to preserve the position of the feed grain producers. We cannot have them going bankrupt. On the other hand, we must maintain the price of feed grains in some relationship to the agricultural users. Can the Senator estimate how much in the long run his feed grain amendment would save the Government on an annual basis, as compared to the present cost?

Mr. ELLENDER. I have no estimates at this time, but the payments for storage would be considerably reduced. For the next 3 years the savings would be

considerable, but the payments would still be a little high, but lower than under the emergency program.

Mr. CLARK. As time goes on the savings would increase.

Mr. ELLENDER. Yes. Under my amendment the Government would pay the farmer on diverted acres for 3 years, that is, on all acres the farmer would take out of cultivation. He would be paid enough to maintain his income. That is the reason for it.

Mr. CLARK. That seems to be a sound procedure.

Mr. ELLENDER. As I said in my opening statement, the Government has paid out over \$2 billion on corn, wheat, and milk programs this year. We are now proposing a way to reduce that amount of governmental spending. I hope it will work.

Mr. CLARK. I hope so, too.

What the Senator has been saying about feed grains is particularly true, is it not, about wheat? I realize that wheat is sometimes used as a feed grain, but that is not its usual purpose. Would the economic effect of the program on wheat be substantially the same?

Mr. ELLENDER. Exactly. It would reduce production, as well as the cost of storage and handling. I did not point out the fact previously, but the storage bill, paid by the American taxpayer for wheat, corn, and other feed grains owned by the Government is now over a half billion dollars a year.

Mr. CLARK. Mr. President, this is my last question. It is my understanding that the committee concluded to drop any provision in the bill having to do with control of dairy products.

Mr. ELLENDER. That is correct.

Mr. CLARK. I realize that my friend, the Senator from Wisconsin, and my friend, the Senator from Minnesota, have been engaged in active discussions on that subject. That is really the most interesting part of the whole farm program in my State of Pennsylvania. Can the Senator give me any indication as to what he thinks is likely to be brought before the Senate, if anything, on the subject of dairy controls at this time?

Mr. ELLENDER. I am sure that every member of the committee will bear out my statement that we made an earnest effort to try to report a milk provision. I suggested to all the milk producer representatives—I shall not call them lobbyists, of whom quite a few are hanging around Washington—that they try to agree on some kind of plan. They failed to do so. Most of them took the position that they are satisfied with the law as it now stands. The law provides 75 to 90 percent of parity. In essence, they have said, "Leave us alone and we will put our own house in order."

The statement remains as a challenge to them. So far as I am concerned, as chairman of the committee, I do not propose to present to the Senate any milk program this year. I may introduce a bill so that it can be considered for possible action next year.

In other words, unless the dairy industry puts its house in order, Congress will have to do something in order to

save the rest of the program, because we cannot possibly continue to spend as much as a half billion dollars or more to maintain the milk program.

Mr. CLARK. I quite agree with my friend from Louisiana. I regret to state that some of the official farm organizations in the dairy business in my State take the position that they want high price supports and no production control. I have been telling them that we cannot go on forever in that way. It is not "in the wood." Does the Senator agree with me?

Mr. ELLENDER. Absolutely. There is no doubt about it.

Mr. CLARK. I commend my friend again for the action he has taken in bringing the two amendments before the Senate, and pledge to him my strong support for the position he has taken.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that if no new feed grains legislation were enacted this year, the existing law would go into effect next year in such a way as to allow a support price of about \$1.04 to \$1.06 a bushel?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. What objection would the Senator have to allowing that law to become operative?

Mr. ELLENDER. It has hurt us in the past. I believe the largest production in our history occurred under that law, in 1959 and 1960. It means unlimited production at a fixed price support without any penalty. We now have about four or five times more corn and other feed grains on hand than we ordinarily carry over from year to year. It amounts to about 85 million tons. The report I filed in connection with the bill indicates all of that.

I go back to the proposition that I do not want the Government to get control of the farmer. However, when the farmer expects the Federal Government to support his price—and I do not care what commodity is involved—he ought to be willing to curtail production and keep it within the amounts that we need. We are trying to do that with corn and also with wheat.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that even with the drastic effort that we made to effectuate a reduction of the acreages last year, in 1961, and with the high price supports enacted to be effective during that year, and which are effective again this year, the amount of feed grains including soybeans under loan went up substantially?

Mr. ELLENDER. That is true, but total CCC investment in 1962 is less than in 1961.

Mr. HOLLAND. But the surplus under loan went up.

Mr. ELLENDER. Yes, but that is only part of it.

The production of corn and sorghum decreased. It was bound to have gone down. The record shows that although the program cost a great deal of money, we had 421 million bushels less of corn

and sorghum produced. If we had not placed on the statute books the emergency program to which my friend from Florida refers we might have had an increase of 700 million bushels of excess corn and sorghum over and above what we have now.

That is the trouble, and that is what we are trying to stop. The emergency program is in effect for this year. I regret to say that we should have had the law enacted in the early part of this year. But because of our inability to do it, we have agreed to let it go for another year. In the pending bill there is a provision to extend it for another year. That is what I am opposed to. That is why, I will say to the Senator I am sending an amendment to the desk dealing with that situation, and I ask that the amendment be printed and lie on the table. I ask that an explanation of the amendment be printed in the RECORD at this point. This amendment tells the corn farmer and the sorghum producers if they expect the Government to provide price supports they must agree to curtail their acres. That is what we need. That is what the amendment provides. If anyone can devise a better method to do that, I am willing to listen, as chairman of the committee, and I am sure my good friend from Florida will also have that in mind. The point I am making is that we cannot afford to keep building surpluses under a program that costs the Government what it is costing the Government now. Unless some changes are made in the wheat and corn and feed grain program now, I predict that all farm programs for all commodities—no matter how well they may be operating now—may well be terminated by an aroused public.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Without objection the explanation will be printed in the RECORD.

The explanation will be printed in the RECORD, as follows:

EXPLANATION OF FEED GRAIN AMENDMENT

This amendment would strike out that portion of the bill which provides for a 1 year extension of the 1963 feed grain program; and would provide for a permanent marketing quota program for corn, sorghum, and barley. The minimum national quota would be 110 million tons. Acreage diverted from the feed grains covered by the program could not be planted to crops in surplus or which might impair the diversion program. For the first 3 years, 1963, 1964, and 1965, payments could be made for such diversion at not to exceed 50 percent of the support rate for the normal production of the acreage diverted. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved, and not more than 50 percent of parity if quotas were disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at zero to 90 percent of parity.

This amendment is the same as the administration feed grain proposal contained in S. 2786, except for the following:

1. Under the amendment marketing quotas are limited to corn, barley, and sorghum, whereas the original proposal would have also covered oats, and, at the Secretary's discretion, rye.

2. The amendment provides for a minimum national quota of 110 million tons.

3. The provision for a commercial area to be fixed by the Secretary would be omitted but the program would be limited to the continental United States, excluding Alaska.

4. The farm normal yield for penalty purposes would be based on past farm production instead of past production in the local area.

5. Excess barley acreage could be disposed of by grazing up to 30 days before harvest.

6. The provisions of S. 2786 for substitution of wheat acreage for feed grain acreage and feed grain acreage for wheat acreage have been consolidated into a single provision, and the direction to the Secretary to permit such substitution has been given a slightly more mandatory color.

7. Diverted acreage payments would be limited to not more than 50 percent of the estimated support rate for the normal production of the acreage diverted, and producers would have the election to increase their diversion to 25 acres, instead of 20, if their diversion would otherwise be less than 25 acres.

8. The amendment permits price support for corn, sorghum, and barley at up to 50 percent of parity when quotas are disapproved, and in such case producers would have to comply with their feed grain allotments as a condition of price support, but would not be required to cross-comply with allotments for other crops, or on other farms, or with land diversion requirements.

9. A producer would not lose eligibility for price support or land diversion payments by reason of planting up to his wheat or feed grain exemption on another farm.

10. Instead of authorizing the sale for unrestricted use from Commodity Credit Corporation stocks of up to 10 million tons of feed grains and up to 200 million bushels of wheat at market prices if quotas for those commodities are disapproved, the amendment would authorize such sale at 102 percent of the current support price plus reasonable carrying charges.

11. An exempt feed grain producer would not lose history by taking advantage of his exemption.

12. The excess acreage planted to wheat in past years under the existing feed wheat exemption (which would be repealed by the bill) would be counted as feed grain acreage toward a feed grain allotment.

13. If the producer so elected, acreage harvested for silage up to the acreage harvested for silage in the base period would not be counted as feed grain acreage, and the base period silage acreage would not be counted in computing the allotment.

14. In deficit areas the Secretary could permit producers to plant their full base acreage, but they would then lose eligibility for the feed grain diversion program, feed grain price support, and the feed grain quota referendum.

15. An exemption has been provided for malting barley, modeled after the exemption contained in the 1962 feed grain program, but applied to quotas and allotments.

16. The amendment also makes minor corrections in the small farm exemption and other provisions.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that, considering the feed grain now under loan, together with the soybeans now under loan, the total loaned by the Government has gone up; is it not true, also, that the increase of the soybean price support was a part of the program last year—not agreed to by the Senator and myself—to divert acreage from corn production; and that the total on hand

of corn and feed grains, plus soybeans, was greater than it was expected to be?

Mr. ELLENDER. Yes; if the Senator adds other crops than corn and the feed grains that we are talking about, that is correct. Insofar as corn and other feed grains are concerned, my recollection is that we produced 421 million bushels less of corn and sorghum.

That, of course, was a disappointment to me, because I thought that the decrease would be greater. As a matter of fact, I recall we said it might reach 700 million bushels less. However, the Lord was good to the corn farmer and to the sorghum producer. It rained at the proper time. Therefore, the yields were greater.

Mr. HOLLAND. The Lord was good to him and Congress was good to him, and the Secretary of Agriculture was good to him. As I read the figures, the total production of feed grains, plus soybeans, was greater than expected; and the total value for carrying them under loan has gone up.

I am sure the Senator will agree that we were told last year by the Secretary of Agriculture that the part of the program for the diversion of corn acreage was increasing the price support of soybeans.

Mr. ELLENDER. Yes.

Mr. HOLLAND. Why should not soybeans be included in this total for the purpose of discovering whether we have made any headway?

Mr. ELLENDER. For the first time since I have been in Congress, we have a Secretary of Agriculture who is trying to give the farmers a better break, by trying to increase their income. He has succeeded in some ways.

As the Senator well knows, past Secretaries have been trying to divide the farmer from the consumer, and have created a great deal of friction between them. I am happy to say that we now have as the Secretary of Agriculture a man who is trying to increase the income of the farmer. I am in favor of him.

I say to my good friend from Florida that the Lord only knows what would have happened in production with the same kind of weather that we had last year, if the farmers had been able to plant all that they desired, as was the case 2 years ago.

The special program that we provided for was intended to curtail corn and other feed grain production by about 700 million bushels. It failed to reach that goal. However, if we had not had the program, instead of having cut production by 421 million bushels, we might have had a surplus of 700 million or 800 million bushels of corn and other feed grains. It has worked fairly well, but at a great cost.

That is why I am unwilling to continue the emergency program almost indefinitely, because we have already extended it another year, and in the bill we extend it for another year. Soon someone will say we should extend it for 4 or more years. And the emergency wheat program, too. Some would rather have a permanent program on the statute books. That is what will happen if

the amendment that I now send to the desk is adopted. I now send an amendment to the desk and ask that it be printed and lie on the table, and that an explanatory statement in connection with it be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. PELL in the chair). The amendment will be received and printed, and will lie on the table. Without objection the statement will be printed in the RECORD at this point.

The statement is as follows:

EXPLANATION OF WHEAT AMENDMENT

This amendment would strike out the provision for a 2-year extension of the 1962 wheat program.

S. 2786, which set out the President's program, provided for a strong, effective, permanent wheat-marketing quota program, with mandatory diversion of acreage, adequate payments thereon for 3 years, and a marketing-certificate, bushel-control program. This mandatory program is needed to reduce our surplus stocks, reduce Government costs, and provide a healthy farm economy in which the farmer may once again produce for the market.

The permanent, effective wheat program provided for by S. 2786 has been included in the pending measure with a number of improvements recommended by the committee. However, the committee saw fit to provide, in addition, for giving the producers in the 1963 crop referendum (which will be held shortly after the bill is passed) a choice between this permanent, mandatory program and a temporary, less mandatory program like that in effect in 1962. The 1962 wheat program was provided as an emergency measure. It was the best program that could be developed and passed in the time available, but it was recognized as a stopgap until permanent legislation could be developed.

It gives the Secretary less authority to reduce acreage allotments, provides only for a voluntary diversion program, and contains no bushel-control feature. Being less mandatory than the proposed permanent program, it must offer the producer a better income for not producing than for producing. It cannot help but be less effective, and more costly for such effect as it achieves.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am sure that every member of the Committee on Agriculture and Forestry will agree at least in large part with what the Senator from Louisiana has said about the motives and the desires of the Secretary of Agriculture. He is a well intentioned man.

So far as the Senator from Florida is concerned, he is not willing to admit that we made progress last year, because he thinks that we fell back. The Senator from Florida is not willing to admit that the present Secretary of Agriculture is the first one who has tried to help farmers, because our great friend from New Mexico, the senior Senator from New Mexico, who was the Secretary of Agriculture only a few years ago, did a fine job in that direction; and his successor, a gentleman from Colorado, certainly was making every effort in that direction. So far as the Senator from Florida is concerned, he thinks that the Secretary of Agriculture under the prior administration was also moving in that direction.

The Senator from Florida believes we must consider the mounting costs of these surpluses. We must consider what farmers have already done. They know how to pick out the best acreage and pour on the fertilizer so as to increase the yield per acre. They did that just within the last year. Yet all the things we are trying to do to cut down the acreage are simply not getting us anywhere at all.

The Senator from Florida asks his good friend, his devoted friend, who has certainly done immense things for agriculture, how he regards the fact that it is not the industries we have tried to control that are in the post prosperous condition in the Nation; instead, it is the agricultural industries that do not have regimentation at the hands of the Secretary of Agriculture or as the result of acts passed by Congress which are in the best condition. I am sure the Senator from Louisiana knows that to be the case.

Mr. ELLENDER. I do not; not entirely. I do not want the Senator from Florida to put words in my mouth. The Senator from Florida has been very successful in getting marketing agreements for oranges and other products of Florida, as, under the law, he had the right to do; and he did a magnificent job.

But do not overlook this: That by having a fixed price—that is, a support price with the Government acquiring all excess stocks—we have made it possible for the feeders to know how much corn would cost in 12 months or 15 months from now. That has had the effect of stabilizing, to some extent, the prices of meat. I am sure the Senator from Florida will admit to that.

Mr. HOLLAND. I certainly will agree that it has had some part in that result. But it has not been only citrus fruits that have been prosperous; it has not been only livestock that has been prosperous; most of the vegetable producing industries have been prosperous.

The Lord knows, if anyone knows how much the acres will produce, it is the producers of highly seasonal produce that can be produced only in a few weeks or months and have to be marketed quickly. The Senator from Florida wants his friend from Louisiana to look at the agriculture of the Nation, with his usually fair eye, and to note that those industries which are the most prosperous, nationwide, are those that have not come here and dipped their hand down into Uncle Sam's wheelbarrow to ask for price supports, for regimentation, and for controls, which are as foreign to the traditional independence of American farmers as anything could be.

I say this without any reflection at all upon the distinguished Senator from Louisiana. If there is a good American in the country, it is he; if there is a friend of the farmers, it is he. I think he knows how I feel toward him personally and as my chairman; but I simply want the record to reflect the fact, well known to every Senator who is a member of the Committee on Agriculture and Forestry, that the industries which are not controlled by Uncle Sam are the ones

which are the most prosperous in the field of agriculture.

I thank the Senator from Louisiana for yielding.

Mr. ELLENDER. I will not argue with my good friend from Florida. Vegetables cannot be grown nearly so well in other States as they can be grown in Florida. It is only in certain areas of the country where the conditions which the Senator describes obtain. Furthermore, the production of such crops is rather difficult. In 1937, when I first was sworn in as a Senator, I was one of seven Senators who held hearings throughout the country to prepare for the enactment of the present permanent laws pertaining to the basic crops, crops whose control we thought could be managed. The programs have applied to such crops. We felt then, as we feel now, that there is a possibility to manage their production if a proper law can be passed.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I believe there is a direct relationship between the price of feed grains and the price of meats of all kinds. That has been the purpose of feed grain legislation throughout the years. By stabilizing the feed grain price, we go a long way toward stabilizing meat prices.

Mr. Cushman S. Radebaugh, president of the American National Cattle-men's Association, a very fine gentleman from Orlando, Fla., made some pertinent comments when he testified before the Committee on Agriculture and Forestry this year. His testimony appears in the record of the hearings beginning at page 479. Among other things, he said:

Generally speaking, all cattle produced are fed and the pounds of beef produced in the feedlot approach the pounds produced on the range. For these reasons, whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle prices whether in the feedlot or on the open range.

I subscribe fully to those words.

Mr. ELLENDER. That is what I have been contending all the while. Stabilizing the price of feed grains has the effect, more or less, of stabilizing the price of the animals which consume the feed grains.

Mr. BURDICK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BURDICK. I commend the able Senator from Louisiana for his fine presentation this afternoon—and I have listened with interest most of the afternoon. I believe the approach he has announced is sound, reasonable, and, above all, necessary at this time. I assure him that he has my general support, and that I shall support his amendment. I hope we can hammer out a bill along the lines he has described this afternoon.

Mr. ELLENDER. I thank the distinguished Senator from North Dakota.

Mr. HART. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HART. I wish to compliment our chairman, as other Senators have done, not alone for his presentation this afternoon, but for the patience he displayed throughout the long and difficult hearings which were devoted to the consideration of the bill.

I believe that when the opportunity is given us to vote on the Senator's amendment with respect to feed grains and wheat, surely we who listened to him this afternoon must give the very serious consideration that the amendment warrants, because in the long pull it will be for the benefit of our entire society, not merely for the farmer.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I was glad to be here this afternoon to hear the Senator's statement on the "Food and Agriculture Act of 1962." I commend the chairman for his fair presentation of the bill—and of the facts, as he sees the facts, which lead him to give the bill his support.

As a member of the Committee on Agriculture and Forestry, I would like to say that we are very fortunate to have the Senator from Louisiana as chairman of the committee. Whether one agrees or disagrees with him, we all agree that he is fair in his consideration of the bills and amendments which are presented to the committee.

The Senator from Louisiana is a great chairman and a hard worker. He is very fair to all of us. I know I feel that way about him, and I think all of the other members of the committee feel as I do.

I know the Senator from Louisiana is not partisan about farm measures. So I know he will not mind if I speak about some of the programs which have been successful.

I recall that under the administration of President Eisenhower, legislation was enacted concerning wool, cotton, tobacco, and rice. I think the programs adopted under that legislation have been quite successful; they have helped farmers.

Mr. ELLENDER. The Senator from Kentucky has mentioned cotton and rice. We tried also to incorporate wheat in that legislation but were not successful in getting enough support.

Mr. COOPER. I know; but in the important fields of wool, cotton, tobacco, and rice, legislation was enacted or amended, and in those fields farmers have done very well.

Mr. ELLENDER. I agree.

Mr. COOPER. Public Law 480 was enacted under the administration of President Eisenhower. That law now has the support of everybody. I think it has been a great program.

If I recall correctly what the chairman has said, in the past wheat has been under compulsory controls, that is, under marketing quotas as well as acreage allotments.

Mr. ELLENDER. Very limited.

Mr. COOPER. And corn also has been at one time.

Mr. ELLENDER. There have been no marketing quotas at all—never.

Mr. COOPER. At least, there has been some experience with acreage allotments for corn, and with compulsory quotas and penalties for overproduction on wheat. What has concerned me has been the prospect of placing compulsory controls on feed grains and on many other products such as dairy products which have not been under compulsory controls. This point was made in questions addressed to the Senator, and I feel certain the question will be raised further during the debate. The root of the question is whether the farmer will be able to grow the feed which he needs on his own farm. I think that goes to a basic question—the extent to which farmers may produce the feed grains they need for their own use. I believe that is the issue with respect to the feed grain section which is not relevant to the other sections of the bill.

Mr. EASTLAND. Is it not true that 85 percent of the feed grains produced are consumed on the farms where they are produced?

Mr. COOPER. I would not be able to say; but if the Senator has that information—

Mr. EASTLAND. That is my impression; I do not know whether it is correct.

Mr. ELLENDER. Eighty-five percent is what they say is true. But we have accumulated over half a year's supply, and the Government now has it "in hock." It is valued at more than \$3 billion. That is what I want to try to stop in the future, if we can.

Mr. AIKEN. Mr. President, it is not my intention to delay the Senate long this afternoon. But before we begin debate on the details of the bill, I wish to point out a few facts which I think should be considered in the course of our deliberations.

All of us recognize the great importance of agriculture as an industry of the United States, but I am afraid we do not realize how important it is. In the public mind, we are legislating for the benefit of 3 million or 4 million farm families who depend on the land and on the production of agricultural commodities for their living. There are others who live on the land; but as of today the total number of commercial farm families is probably only 3 million or 4 million. About 8 percent of our population is engaged in the production of agricultural commodities. However, what many of us fail to recognize is the fact that one-third, or perhaps a little more than one-third, of the total working force of the entire Nation is dependent upon agriculture for its living. Today, there are actually more people engaged in manufacturing farm supplies than the number of those who are using those supplies on the farms. And there are more people engaged in the transportation, storage, processing, and handling of agricultural commodities than the number engaged in manufacturing farm supplies. So, all in all, approximately 35 percent of the total working force of our Nation is dependent on farm production for its living.

The Senator from Louisiana has properly pointed out that today the cost of

storing surplus agricultural commodities amounts to approximately \$500 million a year. But that is only one example of a great industry which is dependent upon agriculture for its living. That amount may seem to be a total loss to the taxpayers; but, as a matter of fact, I doubt whether any of those engaged in storing farm commodities today are in a tax bracket lower than the 50-percent bracket—they may not even be in a bracket that low; and if they pay their taxes, and I assume they do—then a good share of that \$500 million is returned to the Treasury.

Mr. EASTLAND. Mr. President, will the Senator from Vermont yield for a question?

Mr. AIKEN. I yield.

Mr. EASTLAND. Is it not true that a surplus of feed grains is an asset to the Nation?

Mr. AIKEN. Yes; I think so. But I was pointing out that the cost of the storage of these commodities is not entirely a loss, because a \$500 million business, annually, is not to be lightly discounted.

I believe we should also recognize that there is no such thing as a perfect farm program. Ever since I have been a Member of the Senate—22 years, now; in fact, I believe that the Senator from Louisiana and I are the only Members now on the committee who served on it at that time, and he commenced his service 4 years before I did—people have constantly come up with "the last word on farm programs"—in other words, something to settle and solve all the difficulties. But we should know by now that there is no such thing as a perfect farm program; there is no such thing as a farm program which, if perfect today, would be perfect 2 years from now. We cannot look that far ahead.

It must be realized that farm production cannot be turned on or off in the way that the production of an industrial plant or a factory can be. We must also realize that when we finally arrive at what we regard as a satisfactory solution of one problem, we may thereby create two more problems, to take its place.

A reduction of production by one farmer may seriously affect the employment of several nonfarm people who perhaps do not live within miles of any farm.

So I believe we should consider this situation—first of all—namely, that any farm program which we may devise must be one which will maintain full employment by all persons dependent upon agricultural production; it must also maintain full farm purchasing power—for otherwise there will be unemployment.

A farmer's dollar is spent many times over before it comes to rest. Furthermore, we must have our programs devised in such a way that they can assure an adequate supply of these commodities for both domestic needs and foreign needs.

The effectiveness of a program does not always depend upon the wording used in the law; it depends in great degree on how the program is administered. By means of good administration, a program which in itself is not too good may "get by." On the other hand, if the

administrators are incompetent or if they are not in sympathy with the program, the very best program in the world can be made to look as if it were rather disastrous.

I wish to consider briefly the provisions of this bill. I cannot now consider the amendments which I understand the administration will offer, because they have not yet been printed.

But, first, I should like to say a few words about the dairy industry. One might think the dairy program was terrifically expensive and was perhaps the black sheep of the entire program. However, I should like to point out our Government's present investments in the various agricultural commodities.

Our Government has an investment of \$2,120 million in corn, on loans or purchases.

The investment in grain sorghums is \$814 million.

The investment in soybeans is \$234 million.

The investment in wheat is \$2,516 million.

The investment in tobacco is \$326 million.

The investment in dairy products is \$260 million—or 3 percent of the total investment the U.S. Government has today in all agricultural commodities. Yes the dairy industry is far and away the largest agricultural industry which we have, and the products of the dairy farms of America have a value greater than that of all the wheat and all the cotton, combined.

So I do not believe we should complain too much that we have 3 percent of our total agricultural commodity investment in our greatest agricultural commodity—the one which produces the greatest income.

Of course, those are the figures for this year. Last year, the story was quite different—when the Government owned no cheese, practically no butter, and only a fair amount of skimmed milk powder.

Mr. President, at this time I wish to discuss the various titles of the bill.

As to title 1, let me say now, in line with the statement I made a moment ago, that any farm program should be devised in such a way as to maintain full employment and full farm income. So if the bill contained only title 1 and perhaps some of the features of titles 5 and 6, I could say that, taken altogether, it would be an excellent bill, and perhaps would go further toward solving any farm problems which we might have than would any other program we could devise.

Title 1 relates to the conversion of unneeded or uneconomic cropland to other uses. The main emphasis of this title is placed upon one of the most urgent needs of this Nation. We are a growing nation. When we consider our needs of today, we ought not to go back and compare the needs of today with the needs of 1940, because there are over 50 million more people in this country today, and the population is increasing at a rate of 3 million a year. We have a rapidly growing industrial productivity. It takes fewer hours to produce the same

amount of goods than it did even 5 or 6 years ago. All those facts mean more leisure time, more vacations for more people, shorter work days.

What can they do with this time? Where can they go? What can they do when they get there? Most people like to go out in the country, where there is fresh air, and trees and grass are growing, where there are lakes and ponds. They like to get out there for picnics. They like to go hunting and fishing. These days particularly they like to go swimming, and engage in other sports and activities.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. EASTLAND. Is it true that under this title recreational facilities, including motels, golf courses, swimming pools, and dance halls, will be financed by the U.S. Government to be used by the public?

Mr. AIKEN. I do not know about the dance halls, but I was going to point out that under this title the Federal Government can assist farmers in converting cropland to recreational purposes.

Mr. EASTLAND. To be used by the public. Is that not what it says?

Mr. AIKEN. That is the intention of it; of course, it is.

Mr. EASTLAND. That means integrated recreational facilities; does it not?

Mr. AIKEN. They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved. I do not think it would be in conformity with the Constitution to do otherwise. But people living in the towns and cities should have places where they can have their picnics and have a good time in the country, either after work, if they can get there in time, or over the weekend. This title assists farmers in converting cropland to recreational purposes. It will be very helpful in New England. I believe it will be helpful all through the Central States, the South, and probably in the Far Western States as well, because we must make it possible for a growing population, particularly the urban population, to have an opportunity to rest and to refresh itself in the country. If we do not provide those areas, the time will come when they will move out, overwhelm us, and take them over anyway. So I am glad this title provides that farmers can be assisted under the ACP program in setting up private recreational areas. Perhaps, in connection with such an area, farmers could have small gift shops where products from the farm could be sold.

The title also—and this is important—assists communities, large and small, in setting up better recreational areas. I assume the areas could be as close as a mile from a town, if it were a small one, to perhaps as far as 50 miles away from some of the larger cities, where conveyances might be provided to get the poor people of the area there, where they could enjoy life, at least part of the time.

Further than that—and this is important, too—this title provides, under Public Law 566, the Small Watershed Act, recreational values may be taken into consideration in determining whether such small watershed development should be authorized or not, or whether Federal funds should be used for participating in them.

At present, as we know, watersheds can be established under the act only if they are based on flood control and agricultural benefits. This bill would permit recreational values to be taken into consideration. I can think of several areas in my own State that would qualify if recreation values can be taken into consideration, and cannot qualify under the present criteria.

This type of program would permit conversion of cropland or poor land to other purposes, without loss of employment or income. In fact, I know some places in my State where such land has resulted in greater income, instead of less.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. I noted one statement of the Senator from Vermont to which I think there should be some reply. I believe the Senator said under the provisions of title I, unneeded and nonproductive—I think those were the two adjectives—land could be adapted to recreational use.

Mr. AIKEN. Yes.

Mr. HOLLAND. Is it not really more accurate to say any land that either the private farmer would want to adapt to recreational use or that the community or State might want to adapt to recreational use could be so used under the loans of the Farmers' Home Administration, even if they were highly productive agricultural lands, or residential or industrial lands? Would they not be available for loans for the purpose of turning them into recreational areas?

Mr. AIKEN. The Senator is correct, but I think that authority comes under title IV or title V of the bill, with relation to the Farmers' Home Administration. I may ask the Senator from Louisiana that question.

Mr. ELLENDER. Title IV, yes. They could borrow the same as they would for homes or other facilities.

Mr. AIKEN. I thank the Senator from Louisiana, although I was quite sure that was the case.

When I said unneeded or poor cropland, I did not refer to land that was worthless, but some of the farms get to the point where the acreage of the cropland is so small that it is uneconomic. I believe under the bill several farmers might unite or pool their interests to create a recreational facility. I can think of instances in my own area where that might be done, although that conversion has pretty much taken place in Vermont.

Mr. HOLLAND. I admit that some of the actions or activities the Senator has spoken of could come under the later title; but I also call attention to the fact that they are included under title 1.

If the Senator will look at line 15 and following, on page 5 of the bill, he will notice the amendment of the Bankhead-Jones Farm Tenant Act, which heretofore has been confined to dealing with marginal lands and nonproductive lands, and that now section 32 of that act is amended in such a way as "to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization," without any limitation at all upon the kind of land being utilized or conserved.

My understanding is that that provision and also the later provision in title 5 mean that all lands, for the first time under the Bankhead-Jones Act, may be considered, no matter how productive, no matter even if they are not agricultural lands; residences may be taken by public units; and they then qualify for loans under the Farmers Home Administration; industrial lands may likewise be taken. The question is not at all confined to the handling of marginal or unprofitable agricultural lands, as they have been heretofore under the Bankhead-Jones Act.

Mr. AIKEN. The statement of the Senator is generally correct. I wish to make it clear that residences and land could not be taken under the terms of the bill as it was reported by the committee. As the proposed bill was sent to Capitol Hill by the Department of Agriculture, the Secretary of Agriculture would have been given the right of eminent domain and could have taken land or property under that right. However, the Secretary of Agriculture himself realized that this was going a bit too far, and agreed to have that provision taken out.

I think that before the Federal Government could help a community develop a rural area, unless the persons involved could buy the necessary land from a willing seller, there would have to be a State law to acquire the land from an unwilling seller.

Mr. HOLLAND. Mr. President, the Senator is of course correct that the original bill provided, without any limitation, the right to take private lands of all kinds—whether marginal and unprofitable agricultural lands or the most profitable, whether residential or industrial—at the sole discretion of the Secretary of Agriculture, for the purpose of developing recreational activities.

The Senator will recall that the distinguished chairman of the committee, and I think all other members of the committee, agreed that provision should be eliminated, and the provision was eliminated.

The point to which I call attention is the fact that while the most objectionable feature was eliminated, it still would be possible, under the terms of the bill—and it still is intended, under the terms of the bill—that if public units, whether they be States, counties, communities, townships or specially created districts for the purpose of developing recreational facilities, decide to move ahead, the lands which they can use and which they can acquire under State law,

regardless of what means may be necessary to acquire them, may be the subject matter of loans from the Farmers Home Administration for the development of recreational facilities. I do not think there is the slightest doubt of that.

Mr. AIKEN. The Senator is correct. That is the intent of the title. The only limitation on the Government is that it would be limited to the making of a loan of not more than \$250,000 to any one development, to any one town or city, in order to acquire and to develop the land.

I do not say that title I is perfect by any means. I presume it could be improved upon. The purpose is sound and good. The purpose is to enable a farmer who lives on a farm which is tending to become uneconomic, to find some way in which he can live on the land, can live in his own home, and can make a living better than he could hope to make from the production of farm commodities.

Mr. ELLENDER. Mr. President, if the Senator will permit an interruption, I should like to emphasize that under the amendment to the Bankhead-Jones Farm Tenant Act we propose to cancel out the right of the Secretary of Agriculture to further purchase lands under the act. All that would come out of the law.

Mr. AIKEN. The provision has been drastically modified since it was sent to the committee by the Department.

Mr. ELLENDER. Under the terms of the Bankhead-Jones Farm Tenant Act, as it now exists, the Secretary could purchase property, but if the amendment is agreed to, that right will be terminated. I should like to invite the Senator's attention to a fact the Senator probably had in mind, in discussing what could be done by the individual.

Mr. AIKEN. Under the ACP program.

Mr. HOLLAND. That is, under the ACP?

Mr. AIKEN. Yes, under the ACP program.

Mr. ELLENDER. Even in that program not any kind of land can be used by the owner.

Mr. AIKEN. Not under the ACP program.

Mr. ELLENDER. That is correct.

Mr. AIKEN. But in the development of community facilities, I do not think the persons involved would be restricted to unproductive cropland.

Mr. ELLENDER. That is correct. So far as the loans are concerned by the State agency, that is correct.

Mr. AIKEN. I think we are in agreement on the meaning of the language.

Mr. ELLENDER. Yes.

Mr. HOLLAND. Mr. President, if the Senator will yield further, I wish to make the RECORD crystal clear on this point, because I am sure I am correct.

Whereas under the earlier provisions of the Bankhead-Jones Farm Tenant Act, and those now existing, the limit in this field is the use of marginal and unprofitable agricultural lands, under the terms of the bill as now proposed, under the Bankhead-Jones Farm Tenant Act it is proposed that a community—from the State down to a local unit—could be

loaned funds up to \$250,000 for the purpose of recreational development regardless of the type of land involved, or even of the type of property to be included in the proposed development.

Mr. AIKEN. In all probability one could not find an area where it would not be necessary to acquire different types of land in order to have a substantial and adequate recreation ground. We will not disagree on that.

I wish to say a word about title II, containing amendments to Public Law 480, the law under which we dispose of surplus farm commodities overseas.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to make a correction of a statement. I am sure an error was not intended by my good friend from Florida, but there is no specific limitation as to the amount which could be borrowed by local communities. If the amount to be borrowed exceeded \$250,000, the matter would have to be presented to the committees of the House and of the Senate which deal with agriculture.

Mr. AIKEN. The Senator is correct. That is what is provided by an amendment which was inserted in the bill at the request of the Senator from Kentucky.

Mr. ELLENDER. That is correct. That is the limitation. It does not limit the amount of the loan. If the amount of the loan is to be in excess of \$250,000, the matter is to be presented to the two committees for adjudication.

Mr. AIKEN. The Senator is correct. Those are the conditions.

Mr. HOLLAND. Mr. President, of course the Senator from Louisiana is correct in respect to the item he has mentioned. I think the Senator will agree that it is also correct to say there is no limitation as to the type of land which may be included in the recreational facility. I think the Senator will agree that the limitation under the Bankhead-Jones Farm Tenant Act which has existed up to now is that the loans must be for the use of marginal and generally nonproductive lands; and that that limitation is to be done away with.

Mr. AIKEN. I agree.

Mr. HOLLAND. The purview of the bill now is to be vastly enlarged, compared to the previous act, not only as to the type of lands to be affected but also as to the type of borrowers who are to be brought into the picture.

Mr. AIKEN. The Senator is correct. We must remember that the need for recreational areas is far different from the need at the time the Bankhead-Jones Farm Tenant Act was written into law.

I should like to refer to title II. As I said, this relates to Public Law 480, which provides for the disposal of surplus farm commodities overseas.

Since 1954, we have shipped overseas under the terms of this law more than \$9 billion worth of farm commodities. I might add that up to this year approximately 70 percent of the cost of those commodities has been recovered from the sales overseas.

Unfortunately, the cost of the commodities which are sold under Public Law 480 is charged to agriculture, but the receipts are credited to other agencies. Receipts are credited to the Treasury, to the State Department, to the Armed Services, or to other agencies of the Government which have the use of the income. Agriculture does not get credit for the income.

There is one thing which is quite significant about the program of selling surplus commodities overseas under Public Law 480. As we know, the law provides for selling on generous terms—selling for local currencies of other countries; and even for giving the commodities away, for relief. However, as the disposals under Public Law 480 have increased, the sales of our agricultural commodities for dollars in the open market have gone up proportionately with such sales.

The food we have exported has done a great deal of good throughout the world. It has prevented famine and inflation, which goes along with famine in other countries. It has helped to stabilize many governments on other continents. The program should continue. Production should be maintained. The title provides for amending the law in the hope of making it more workable. Again I say the wording may be open to question, but the purpose is good.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. COOPER. Does not the Senator from Vermont see an inconsistency on the part of the administration and sometimes among Members of Congress and the people of the country? I think everyone is agreed that the Public Law 480 program has been a valuable one. The program has been an important part of our foreign policy. Many newspapers, Members of Congress, and members of the administration wish to increase the use of food and fiber as a part of our foreign policy. It is a great advantage to do so. Let at the same time we hear complaints about surpluses which make this program possible. I think at least we ought to recognize that we would not have the Public Law 480 program, which is considered extremely useful for our foreign policy, if we did not have some surpluses. Must we not take that fact into account?

Mr. AIKEN. The Senator from Kentucky has pointed out a very glaring inconsistency on the part of the administration. By reason of our having large supplies of grains, cotton, wheat, powdered milk, and other commodities on hand we have been able to do things for other countries and retain their faith in us, which probably additional numbers of missiles and weapons of war could not have done.

Next, I wish to discuss title III of the bill, which, as we know, is very controversial. The first part relates to feed grains, corn, grain sorghum, and barley. As has been pointed out today, feed grains are the source of our supply of meats, poultry, and dairy products. Approximately 80 percent of the prod-

ucts are fed on the farm where they are produced. The remainder is used in industry and for export.

Not long ago the production and utilization of feed grains were put in balance. When I say "put in balance," I agree with the administration that we have available a 5- to 6-months' carryover of feed grains. At present it is on our hands, or on the taxpayer's neck.

The administration has said the amount is too much, that we must reduce it. They say we do not need a 5- or 6-month supply of feed grains ahead of need, that something must be done about it. A great furor is made over the surplus. We are told how it is breaking everyone's back.

All such talk is nonsense. Last year the administration came before the Congress and persuaded us to pass an emergency feed grain bill, which related to corn and grain sorghum. It went into effect. The latest report on the program, submitted 2 months ago, indicates that the carryover of corn in this country will be down 200 million bushels from what it was a year ago. The supply of soybeans is up 120 million bushels from what it was a year ago. In other words, we will have 200 million bushels less corn, which was supported at a price of \$1.20 a bushel, and 120 million more bushels of soybeans, which were supported at \$2.30 a bushel.

The administration now makes great claims for the improvement in farm income last year. We are informed that last year farm income was up \$965 million over the year before. Let us see how that figure was arrived at. The administration does not tell us that \$643 million of that increased farm income came in during the months of January, February, and March, before there was time to upset the program which was just coming into beautiful balance. The \$643 million out of the \$965 million total was due to the increased income from the sale of farm commodities for the first 3 months of the year.

After the first of April, then, virtually every month for the rest of the year showed a lower income from the sale of farm production than the corresponding month in the previous year.

Finally, in order to arrive at the \$965 million, the administration had to include approximately \$40 million of advance payments to winter wheatgrowers on the 1962 production of wheat for not producing it. I am estimating the amount of \$40 million. Up to the first of December the amount was approximately \$31 million and I am assuming that \$9 million more was advanced to farmers during December.

We find that the rest of the total increase in farm income above the \$643 million increase in cash marketings during the first 3 months of 1961 and \$40 million advance payments to wheat producers came from payments made to farmers for not producing corn and grain sorghum. That amount came roughly to \$750 million. But to that must be added about \$50 million for administrative costs. Therefore there was a cost of \$800 million to obtain an advance increase in income to the farm-

ers and a slight decrease in the amount of feed grain on hand at the end of the year.

Meanwhile farm production expenses increased more than \$500 million in 1961.

There was a substantial decrease in the amount of barley and oats during the year, but barley and oats were not included in that program. It included only corn and grain sorghum.

It has been said that had it not been for the program farmers would have produced 500 or 600 million bushels more feed grains. But those who made that statement forget that, according to a report showing the intention of farmers to plant issued by the Department of Agriculture in March, 1961, even before the program was enacted, farmers had announced their intention to plant several million fewer acres of corn than they had planted the year before. So I do not think the argument holds water very well. I do not think that program worked. Although we are providing for extending it for another year or two, it ought not to continue.

Another section of title 3 relates to wheat. Last year our production of wheat was less than the disappearance of wheat. By disappearance I mean the amount of wheat used in this country and the amount exported. We have only a 1-year carryover of wheat in this country today. According to the predictions of production this year there will be another heavy reduction in the amount on hand. So by the end of this year we shall have reduced our wheat carryover to not more than a 9 months' supply.

Wheat is a potent weapon. It is one of our most potent weapons in the cold war now in progress. I believe that if we let our supply of wheat get below 1 year's reserve, we shall actually be playing with the national security of our country.

No new wheat program is necessary. If we undertake to "monkey" with the present program it can actually be dangerous.

Title IV of the bill continues the emphasis on recreational development. It provides for Farmers Home Administration loans to farmers who perhaps wish to add a few rooms to the house in order to take care of people who come to the country for the weekend. It provides for a pool from which REA funds can be appropriated. This ties in well with title I of the bill, and can be very helpful indeed.

A few days ago the President said that if the present farm program continues, it will cost \$4 billion over the next 4 years. If the present farm program continues, the cost will depend on how the program is administered. The farm economy was getting into balance in the spring of 1961. Our cotton exports went up to 7 million bales, getting to the point where that meant real money.

Then the Secretary raised the support $2\frac{1}{2}$ cents a pound, and raised the export subsidy to $8\frac{1}{2}$ cents a pound. Our domestic producers of textiles did not like that too well. They thought they were put to a disadvantage. The main thing is that after that was done, exports fell off. Now they are running 2 million bales less than they were a year ago.

Instead of exporting cotton, we are now exporting gold. I do not believe it worked out too well.

Corn supports went up a year ago from \$1.06 to \$1.20 a bushel; yet when the farmers were selling corn last fall, the Government was dumping hundreds of millions of bushels of corn onto the market, so that the farmers could get only about 95 cents to a dollar a bushel. When the farmers had sold the corn, the Government stopped selling. The price has gone up something like 20 cents in some areas. But who is getting it now? It is not the farmers who are getting that price. It is the speculators.

That process has been going on for some time. It is not peculiar to this administration alone. It is a condition which we must take into consideration when we try to estimate the value of the emergency feed program of last year.

Soybean support was put up from \$1.85 a bushel to \$2.30 a bushel. The result may be really a 100-million-bushel surplus, created last year; and I believe that the price of soybeans is somewhat lower than it was a year ago.

The wheat support was increased from \$1.79 to \$2 a bushel. That was entirely unnecessary. There has not been a surplus of the better kinds of wheat in this country for several years. What this raise in the support price did was to encourage greater production of the varieties already in surplus.

We now come to milk. Just about a year ago this time, in April, the Department of Agriculture started to talk big about putting every dairy farmer under a quota. The upshot was that every dairy farmer tried to increase his production as quickly as he could. That had a greater demoralizing effect on the dairy industry than we have seen in any other period in modern history.

I do not know what the amendments to the bill will provide. I expect that they will be printed and that we shall be able to read them tomorrow. I hope they will be good amendments. However, if they undertake to restore the extreme powers which the Department of Agriculture asked for in the original bill, of course there will be a real danger and a real threat to our agricultural economy.

I wish the administration would stop trying to get complete control of agricultural production and complete control over the food supply of this Nation. I think it could lead to disaster. Certainly it could lead to ration cards for city people. I wish they would give more thought to giving the farmer the right to bargain collectively, in the same way that other segments of our economy practice it.

Last year when we were considering an amendment to the bill for that purpose, a representative of the Department of Justice sat in the Chamber day after day to see that we did not give the farmers a break by enabling them to handle their own affairs. If the farmers could get the right to do that, they would do a much better job in bringing agricultural production and supply into balance than any small group of economists or theorists or politicians could possibly do to bring about that result.

THE LEAGUE OF WOMEN VOTERS

MR. CLARK. Mr. President, many of us who are active in public life are keenly aware of the fine work being done across the country by the National League of Women Voters.

This fine group of unselfish and patriotic women is organized in some depth in my State. Their efforts in local matters are as effective as their efforts in national affairs have been for many years.

On Monday, April 30, 1962, an excellent article entitled "Women Voters To Support U.N. National League Is Shaping New 2-Year Program" appeared in the New York Times. The article was written by Edith Evans Asbury. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOMEN VOTERS TO SUPPORT U.N.—NATIONAL LEAGUE IS SHAPING NEW 2-YEAR PROGRAM (By Edith Evans Asbury)

MINNEAPOLIS, April 29.—The League of Women Voters will begin tomorrow to shape the program to which it will devote its efforts for the next 2 years. The likelihood is that it will decide to pick up the cudgels again for the United Nations.

This is good news for the United Nations. It is also good news for bewildered citizens who do not know where they stand, now that the United Nations is under attack by its friends and the administration is split over its usefulness.

Past experience has shown that the repercussions of the choice the league makes here this week will be felt throughout the land and will be heard clearly in Washington.

For the dedicated league member, typically an educated, middle-class wife and mother, fights for her cause with the zeal of a missionary, as armed with information as a graduate student; and as aware of how and when to make a Congressman jump as the county party chairman.

The delegates here, representing 132,000 members in 1,120 communities, will be asked by the league's board of directors to declare active support of the United Nations.

LOCALS ARE POLLED

The convention is virtually certain to accept the recommendation, since the board drafted it after polling all local and State leagues throughout the Nation.

The league's support of the United Nations will not be an unquestioning one. It proposes to take a fresh look, in the light of changes that have aroused criticism and alarm to ascertain means of strengthening the United Nations under present-day conditions.

Adoption of what the league calls a U.N. item on the current agenda means that in cities, towns, and villages all over the United States, earnest, hard-working women will begin studying the United Nations, its record, and its role today. They will probe its weaknesses and discuss proposals for eliminating them.

In Washington, politicians who do not see eye to eye with the league on an issue consider them a "Plague of Women Voters."

FORMIDABLE INFLUENCE

But they do not say so except softly, and to each other. For they know that the non-partisan league may well be on their side of some other issue next year, and they recognize it as a formidable influence, whether foe or friend.

"When the league speaks, you listen," says Senator Clair L. Engle, Democrat, of California. "And when they start asking questions, you'd better know your business. They can really put you over the hurdle."

"A lot of people overlook the fact that the league doesn't just appeal to women," says Senator GORDON ALLOTT, Republican, of Colorado.

"The poor male is also grateful," he continued. "The voter seldom has time or the incentive to see both sides of the question. He, as well as she, needs nonpartisan groups he can turn to with the assurance that he is getting nonpartisan information."

The league never takes a stand on a party or a candidate. It encourages members to be active as individuals in the parties of their choice, however. Many who learned about government and politics as league members have entered government by election or appointment—or sometimes by marriage.

OTHER NOTABLES LISTED

Mrs. Hale Boggs, wife of the Representative from Louisiana who is the House Democratic whip, is a league member. So, too, are the wives of Secretary of Defense Robert S. McNamara, and Secretary of Agriculture Orville L. Freeman, and other members of the White House official family.

Mrs. Katie Louchheim, Deputy Assistant Secretary of State, learned about politics as a league member. Other league women include Senator MAURICE B. NEUBERGER, and Representative EDITH GREEN, both Oregon, Democrats, and Representatives GRACIE FROST, of Idaho, and LEONOR SULLIVAN, of Missouri, Democrats, and FLORENCE DWYER, of New Jersey, FRANCES BOLTON, of Ohio, and MARGARET STITT CHURCH, of Illinois, Republicans. The late Mrs. Robert A. Taft was national treasurer of the group in the 1930's.

The league cut its political teeth in the suffrage movement—learning how to persuade men to give women the vote. It was founded in 1919 by suffragettes as they were on the verge of winning their 80-year-old fight for the right to vote. Its first convention was held in February 1920, 6 months before final ratification of the constitutional amendment that enfranchised women.

BASIC OBJECTIVE KEPT

The league has made changes in its name, altered its course and revised its policy from time to time. But its basic objective remains the same: to inform the public so thoroughly concerning the issues of the day that citizens will be able to vote intelligently and political leaders will be able to govern wisely.

In its early years, the league concerned itself with obtaining legislation of special interest to women, such as restriction of child labor, limited working hours for women, improved maternal and child health care, food inspection and equal property and other legal rights for women.

When World War II broke out, the league supported the lend lease bill and the repeal of the Neutrality Act. When this country entered the war, the league concentrated on convincing citizens that they should pay more, not less, attention to what the Government was doing. It felt democratic rights might be lost in carrying out war measures such as price control, rationing and mobilization. It also sought to persuade the public that these war measures were necessary.

WORK ON FOREIGN TRADE

During the postwar years, the league worked to achieve U.S. membership in the United Nations, foreign aid to needy countries and expanded foreign trade.

At home, it urged fair play and common sense in the administration of the Federal loyalty-security program.

In addition to the national program, league members work for legislative reform in their local and State governments.

In many States, they have been campaigning for constitutional revision and reapportionment. In Tennessee a member of the State league reapportionment committee is a party to the suit that resulted in the recent history-making decision of the U.S. Supreme Court that legislative districting was subject to Federal court review. In Michigan, where the Supreme Court last Monday ordered a review of the fairness of districting, the league has been pressing for reform for more than 10 years.

New York members have worked for judicial reform and continue to do so. They are credited with having had a hand in the fact that last fall a judicial reform amendment received 82 percent of the vote cast.

CHARTER REVISION AID

In New York City, league members have been working for charter revision since the thirties. They also campaigned for abolition of the country form of government and elimination of the residence requirement for city employees, both of which have been achieved.

New York City's is the largest local league in the United States. It maintains a paid staff of four in an office at 131 East 23d Street, and provides a year-round information service for voters.

The league has developed a method of adopting a platform at local, State, and National levels that enables it to act swiftly on pending legislation, with the assurance that it speaks for the majority of the membership.

Staff experts in Washington do research and prepare publications on subjects on which the members are concentrating their study and action.

However, the league's strength is in the thousands of unpaid, volunteer experts who are its dues-paying members. They keep their fellow citizens informed and aroused. They organize local and State forums, speak before local groups, and prod local public officials. They also testify at hearings of public bodies, always presenting well-documented, nonpartisan recommendations, and ready to answer questions competently.

One of the most dramatic demonstrations of the league's typical many-pronged attack on a domestic subject was its treatment of the Nation's water problem.

For years, members who lived in eroded, desert areas arose at national conventions to plead for attention and action.

"Must we wait until you turn on the faucet and no water comes for you to realize that the whole Nation faces a water shortage?" a delegate from Missouri asked at one convention. "The Mississippi River is washing away our topsoil."

Each year, women from other parts of the country rallied in greater numbers to her support, having become aware of water problems in their own areas. Finally, in 1956, the league decided to look into the water situation.

FOUR YEARS OF RESEARCH

Four years of intensive, expert research by the national staff followed. It issued publications that were carefully studied by the membership throughout the Nation.

Discussions began in towns, cities, and on a region basis to determine the best method of conserving water resources, eliminating pollution and achieving equitable, efficient distribution of water. As possible remedies emerged, the league began a public information campaign to convince fellow citizens and public officials of the gravity of the problem and the necessity for action.

In States where the local problem had been recognizably acute league members had already pressed for and obtained action.

Now they sought national awareness and national and regional action. A Senate Select Committee on National Water Resources held hearings in 22 States.

At each hearing, at least one league member from the area testified. At the hearing in Oklahoma City, the whole committee broke into applause after listening to the league witness speak from notes.

Mr. CLARK. Mr. President, I call particular attention to the fact that both articles were released by the same group of people.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purpose.

Mr. PROXMIER. Mr. President, I submit a dairy income improvement amendment to the pending farm bill. I ask that it be printed and lie on the table; and I ask unanimous consent that the text of the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, it will be printed in the RECORD.

The dairy income improvement amendment is as follows:

On page 66, between lines 6 and 7, insert the following:

"SUBTITLE C—DAIRY INCOME IMPROVEMENT PROGRAM

"Legislative finding

"SEC. 330. Milk is a basic source of the Nation's food supply. Dairy farming, which is carried on in every State of the Nation and is an important source of farm income, constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk. Surpluses of milk result in low prices to producers and impair their purchasing power; shortages result in unreasonably high prices to consumers and the loss of markets for producers. Recurring shortages and surpluses cause undesirable fluctuations in prices to producers and consumers, unstable farm income, and disorderly marketing practices. The general welfare requires that interstate and foreign commerce be protected from the harmful effects of imbalances in the supply of milk and dairy products. All marketings of milk and dairy products are either in the current of interstate and foreign commerce or directly affect such commerce. The intrastate marketing of milk and dairy products is in competition with the marketing of milk and dairy products in interstate and foreign commerce. Milk and dairy products which enter directly into the current of interstate and foreign commerce cannot be effectively regulated without regulating that part marketed within the State of production. The conditions affecting the production and marketing of milk and dairy products are such that, without Federal assistance, farmers individually or in cooperation cannot maintain a flow of an adequate and balanced supply of milk in interstate and foreign commerce at prices fair and reasonable to producers.

"General definitions

"SEC. 331. For the purposes of this subtitle—

"(a) The term 'interstate commerce and foreign commerce' includes the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

"(b) The term 'affect interstate and foreign commerce' means, among other things, to burden, obstruct, impede, or otherwise affect interstate and foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk, and dairy products for or in such commerce or after transportation therein.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'milk' means bovine milk, including any classification, type, or grade thereof.

"(e) 'Producer' means any person who is engaged in the production of milk or butterfat for market.

"(f) The term 'person' means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any other business entity.

"(g) 'First processor' means (1) any person, other than a retail store or establishment serving food for consumption on the premises, who receives, purchases, or acquires milk or dairy products from a milk producer for disposition in any form to others, and (2) any producer who disposes of milk or dairy products directly to consumers, retail stores, and establishments serving food on the premises.

"SEC. 332. In order to afford producers the opportunity and the means by which they can (1) on a compensated basis voluntarily adjust their marketings of milk during the marketing years ending March 31, 1963 and 1964, more nearly to equal demand, thus increasing their net returns and reducing Government purchases under its price support program, and (2) receive prices for such marketing years at rates determined pursuant to section 337 of this Act for milk marketed within their normal marketing levels but receive prices which have been adjusted, through surplus marketing fees, to reflect a lower level of price support for milk marketed in excess of their normal marketing levels, thus stabilizing dairy farm income for milk marketed within normal marketing levels while reducing costs to the Government in supporting the price of milk marketed in excess of normal marketing levels and discouraging overexpansion in the production and marketing of milk, the Secretary is hereby authorized and directed, through the Commodity Credit Corporation and other means available to him, to carry out for the marketing years ending March 31, 1963 and 1964, a dairy income improvement program as set forth in the following sections of this subtitle.

"Surplus reduction payments

"SEC. 333. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in the continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing years, ending March 31, 1963 and 1964, their marketings to a level not (1) less than 10 per centum, or (2) more than the larger of 25 per centum, or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 334 of this Act for such quarterly marketing period or periods: *Provided*, That surplus reduction payments shall be made to a producer only with respect to the reduction in his marketings which are below the lower of (1) the producer's normal marketing level, or (2) the level of marketings which the Secretary estimates would be marketed by the producer during the period covered by his agreement with Commodity Credit

Corporation if he continued marketing at the rate of his marketings when he entered into the agreement, adjusted for seasonal variation: *And provided further*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect reductions in excess of 10 per centum of the total normal marketing levels for the marketing year established for producers within any one dairy district. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Commodity Credit Corporation may utilize surplus marketing fees paid to it under this Act, together with any other funds available to it for the purpose of price support, for the making of surplus reduction payments pursuant to such agreements. Such payments (1) shall not exceed \$2.80 per hundredweight of milk, basis 3.82 per centum butterfat content, or exceed such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, and (2) shall be less than the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by such agreement shall be entitled to the surplus reduction payment on the quantity by which he actually reduced his marketings, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the dairy income improvement program.

"Normal marketing level

"SEC. 334. If producers by referendum approve of the institution of a program as provided in this subtitle, the Secretary shall establish a normal marketing level for the marketing years ending March 31, 1963 and 1964, for each producer in the continental United States, excluding Alaska, who on the effective date of this Act was engaged in the production of milk for market. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milk fat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle, which the producer or his predecessor disposed of in commercial channels during the marketing year 1961-1962: *Provided however*, That in no event shall a normal marketing level be established for less than fifteen thousand pounds of milk. The Secretary shall make such adjustments in a normal marketing level established hereunder as he deems necessary for abnormal conditions affecting production or marketing including but not limited to flood, drought, disease of herd, personal health, and the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 335. The Secretary shall prescribe such conversion factors as he determines necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, or other dairy products.

"SEC. 336. The quantity of milk reduced by a producer pursuant to his agreement

under this subtitle shall be considered as having been produced and marketed by him for the purpose of determining his production of marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such base for the disposition in commercial channels of milk, butterfat, or dairy products, produced in the same State as that in which the transferor engaged in production, or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level. The Secretary may utilize funds available for purchase or loans on dairy products under the price support program to purchase and cancel bases at a price not exceeding the amount of surplus reduction payments which Commodity Credit Corporation would make for an equal reduction in marketings.

"Producer referendum and price support levels"

"Sec. 337. Not later than February 1, 1963, the Secretary shall conduct a referendum, by secret ballot, of producers who during the marketing year 1961-1962 marketed not less than fifteen thousand pounds of milk to determine whether producers approve the institution of a dairy income improvement program for the marketing years ending March 31, 1963 and 1964. Producers shall be deemed to approve such a program if the Secretary determines that two-thirds of the producers who voted in the referendum or that producers who voted in such referendum and who marketed not less than two-thirds of the total quantity of milk which was marketed during the marketing year ending March 31, 1962, by all producers who voted in such referendum approve the institution of a dairy income improvement program. If producers approve a dairy income improvement program, the level of price support during such marketing years for milk and the products of milk shall, notwithstanding any other provision of the law be at 90 per centum of the parity price therefor as of the beginning of the marketing year. If producers do not approve a dairy income improvement program, the level of price support for milk and the products of milk, notwithstanding any other provision of law, shall be at a level not less than 75 per centum of the parity price therefor as of the beginning of the marketing year.

"Sec. 338. Whenever normal marketing levels are established under this Act, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the

representative period the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"Surplus marketing fees"

"Sec. 339. (a) The marketing of milk in the continental United States, excluding Alaska, either in the form of whole milk or of a product of whole milk during any quarterly marketing period of the marketing years ending March 31, 1963 and 1964, by a producer in excess of his normal marketing level for such marketing period, or by a producer who has no normal marketing level if normal marketing levels are established pursuant to this subtitle, shall be subject to a surplus marketing fee at a rate equal to the rate of the surplus reduction payment for similar milk established pursuant to section 333 of this subtitle: *Provided, however,* That no marketing fee shall be due on any milk or product thereof marketed during a quarterly marketing period commencing before the effective date of this Act.

"(b) The surplus marketing fee shall be paid to the Commodity Credit Corporation by the first processor who acquires milk or milk products from a producer in excess of the producer's normal marketing level, but an amount equivalent to the surplus marketing fee shall be deducted from the price paid by the first processor to the producer: *Provided,* That in case any milk or milk product is marketed directly by the producer to any person outside the United States the surplus marketing fee shall be paid and remitted by the producer. For the purpose of this section, a first processor who is also a milk producer shall be deemed to have acquired that portion of his production which he markets in excess of his normal marketing level. Such surplus marketing fee shall become due and payable within fifteen days following the marketing period in which the first processor receives from any producer milk or dairy products in excess of his normal marketing level or at the end of such other period of time as the Secretary may prescribe. The first processor and the producer shall be jointly and severally liable for any default in the payment of the surplus marketing fee and for interest thereon at the rate of 6 per centum per annum from the date such fee becomes due until the date of payment thereof except that the producer shall not be liable for any such default if the amount of the fee was deducted by the first processor from the price paid to the producer.

"(c) The Commodity Credit Corporation shall refund to persons determined by the Secretary to be entitled thereto the amount of surplus marketing fees determined by the Secretary to have been erroneously paid to Commodity Credit Corporation.

"(d) In case any person who is entitled to a surplus reduction payment or a refund of surplus marketing fee dies becomes incompetent, or disappears before receiving such payment or refund or is succeeded in law by another, the payment or refund shall, without regard to other provisions of law, be made as the Secretary may determine to be fair and reasonable in all circumstances. The basis for, the amount of, and the persons entitled to receive a surplus reduction payment or a refund of a surplus marketing fee from Commodity Credit Corporation, when determined in accordance with regulations prescribed by the Secretary, and the amount of any surplus marketing fee established by the Secretary, shall be final and conclusive.

"Review and use of committees"

"Sec. 340. The normal marketing level established for a producer shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in the county in which such producer resides and in the county or counties in which his dairy herd or herds are maintained. In establishing and apportioning marketing levels, the Secretary may utilize the services of local county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act and of agencies established to administer milk marketing orders issued under the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended. Notice of the normal marketing level shall be mailed to each producer as soon as practicable after its determination. Any producer who is dissatisfied with his normal marketing level may, within fifteen days after the date of mailing to him of the notice thereof, have such normal marketing level reviewed by a local review committee in accordance with standards prescribed by the Secretary. Such review committee shall be composed of three producers, appointed by the Secretary, from one or more of the counties in which the producer maintains his dairy herd or herds or counties adjacent thereto. Such committee shall not include any member of any other committee which determined the normal marketing level for such producers. Unless application for review is made within such period the original determination of the normal marketing level shall be final and conclusive.

"Miscellaneous"

"Sec. 341. The provisions of section 364 (relating to review committee), section 365 (relating to the institution of proceedings), section 366 (relating to court review), and section 367 (relating to stay proceedings and exclusive jurisdiction) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1364-1367), shall be applicable to reviews and proceedings under this subtitle. The provisions of subsections (a) and (b) of section 373 of the Agricultural Adjustment Act of 1938, as amended, relating to reports and records of processors and farm- this subtitle. The provisions of section 388 shall be applicable to each first processor and to each producer, respectively, under this subtitle. The provisions of section 388 (relating to utilization of local agencies) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1388), shall be applicable in the administration of this subtitle. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this subtitle. If and when the Secretary shall so request, it shall be the duty of the several district attorneys, under direction of the Attorney General, to institute proceedings to collect surplus marketing fees provided in this subtitle. The remedies and surplus marketing fees provided for herein shall be in addition to and not exclusive of any other remedy under law.

"Sec. 342. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle, except section 338 hereof, shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation."

DAIRY INCOME IMPROVEMENT AMENDMENT

Mr. PROXMIRE. Mr. President, this amendment restores the dairy section of the farm bill which is now before the Senate. The Committee on Agriculture and Forestry killed the entire dairy sec-

tion of the bill. I offered my amendment in committee but it was rejected.

My amendment is quite different from the dairy provisions offered by the administration, but it contains some of the same principles. My amendment is intended to improve the present provisions of the law as they now apply. In its language it closely resembles the emergency dairy plan submitted by the chairman at the request of the administration. But it is different on several key points.

As has been noted by the chairman and other Senators, it is certain that the Federal Government will have to expend this year a tremendous amount of money for dairy price supports. It is also certain that this year, if there is no change in the law, dairy farm income will be very low. My proposal is offered in an attempt to improve both situations.

WOULD INCREASE FARM INCOME

My amendment would make it possible to increase dairy farm income by giving milk producers the opportunity to vote in a referendum to limit production to 1961 levels and receive 90 percent of parity price supports. If this is done, the cost of the farm program will be cut sharply with respect to dairy price supports.

My amendment provides 90 percent of parity price supports for manufacturing milk if producers vote to stay within their 1961 to 1962 production base. The amendment could cut the Government costs substantially below the expected costs if the present law is not amended. It would do so by permitting dairy farmers to vote to limit output to their level of production in the marketing year 1961 to 1962.

ONE HUNDRED MILLION DOLLAR SAVINGS POSSIBLE

Depending on the percentage decrease resulting from the surplus reduction payments—for which I also provide—and on projections of output under the no-limit present law, the Proxmire plan could achieve a saving in the first year alone as high as \$100 million. In future years, if my plan is continued, the savings would be much greater.

My plan provides, first, payments up to \$2.80 a hundredweight to producers who voluntarily reduce their marketings of milk below their 1961 to 1962 base. This makes sense because it costs the Department of Agriculture about \$4.50 a hundredweight to acquire surplus milk, including storage, handling, and so forth, on the average. This payment of \$2.80 a hundredweight would reduce production, and the net saving to the Government would be \$1.70 for every hundredweight of milk which was not produced.

Second, my plan provides surplus marketing fees to make the production of surplus milk above 1961 to 1962 bases substantially less profitable.

SUBJECT TO REFERENDUM APPROVAL

As required for all farm marketing quota proposals, the Proxmire program would be subject to approval by two-thirds of dairy producers nationally voting in a referendum.

If one-third or more of dairy farmers vote against the program, it would not

come into operation, and milk price supports would remain at their present low level: 75 percent of parity, which is \$3.11 a hundredweight for milk of average test, and \$2.85 for 3.5 test milk, which is the usual test in Wisconsin. These are punishingly low prices.

The Proxmire plan makes it possible for dairy farmers to increase their income substantially by a fair, realistic program of supply management. It will cut costs to the Government significantly and will sharply reduce dairy surpluses. It provides a generous incentive to farmers who voluntarily reduce production below their 1961-62 base.

In the required referendum, the dairy farmers are offered a choice which is both fair and clear. I know that many dairy farmers feel that the choice in the administration's original proposal was not a fair choice because farmers had to choose between quotas, which many of them strenuously oppose on principle, and price supports that spell ruination. If one-third plus one of milk producers voted against the quota plan, price supports would fall drastically, and many farmers would face literal ruin.

The required referendum, under my plan, offers dairy farmers a choice that is both fair and clear: Either a 63-cent-a-hundredweight higher price at 1961 production levels, or 75 percent of parity, the punishingly low price-support level now in effect. Under no circumstances, however, under my amendment, would dairy income go lower than it is now.

This Senator, for one, will fight long and hard to preserve at least that bare minimum protection.

DISAPPROVAL IN REFERENDUM NOT IMPOSSIBLE

Dairy farmers must recognize the real possibility that any marketing quota program for milk could be voted down. Milk producers in some parts of the country who have the benefit of high fluid milk prices and lucrative negotiated premiums, along with the many milk producers who inevitably will vote against any quota plan, could well add up to the one-third plus one votes that would defeat the program. That is the fundamental defect in the plans offered by the Department of Agriculture. There might easily be one-third no vote, and defeat of the referendum.

I must point out that milk producers in my own State, Wisconsin, should not forget that the grim consequences of lower manufacturing milk prices are visited with far greater severity on them than on producers in many other parts of the country—producers who are also entitled to vote in the producer referendum.

If approved in the producer referendum, the Proxmire amendment will reduce costs substantially below what they will be under the unlimited production, 75 percent of parity law now on the books, because it will hold output at a maximum to the 1961-62 level.

It is true that the proposal I make would not save quite so much money or cut costs so sharply as would the administration's original proposal. I think this is to the credit of the administration's proposal. There is no question

that the cost of the farm program is high.

My proposal would reduce costs in a gradual way, a responsible way. Most important, it would give the dairy farmer a real, genuine choice between a higher income with controls, on the one hand, and a lower price and no controls on the other.

COSTS OF DAIRY PROGRAM NOT HIGH RELATIVE TO OTHER FARM PROGRAMS

I wish to underline what has been so well said by the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the Committee on Agriculture and Forestry, who stated that other farm programs have cost much more in proportion than the dairy farm program costs. Actually, most governmental expenditures for price supports in the recent years have cost more—the programs for cotton, dairy products, feed grains, rice, and wheat. There has been a wide variation in the costs associated with the individual commodities.

It is of interest to note how expenditures for the individual commodities would compare if they were proportional to the value of their marketings.

The average annual value of the marketings of these commodities and their proportional share of a \$2 billion price support budget is as follows.

Mr. President, I ask unanimous consent that a table I have had prepared on this subject be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(Dollars in millions)

Commodity:	Average farm marketings 1959-61	Percent	Allocation of \$2 billion budget	1959-61 annual average Government losses or costs for price supports ¹
Wheat.....	\$2, 112	13. 8	\$276	\$233
Dairy products.....	4, 753	31. 2	624	252
Cotton and cottonseed.....	2, 512	16. 5	330	315
Rice.....	250	1. 6	32	(²)
Feed grains.....	³ 5, 623	36. 9	738	439
Total.....	15, 250	100	2, 000	-----

¹ Not including value of exports under public law 480, title 1.

² Not available.

³ Value of crops produced.

Mr. PROXMIRE. The point I wish to emphasize very strongly is that on the basis of any fair comparison, the dairy program has not been expensive. It has been relatively less costly than the wheat or the cotton or the rice or the feed-grains programs.

GIVE CONSUMPTION A CHANCE TO CATCH UP

Mr. President, the amendment I have submitted covers the current marketing year which ends March 31, 1963, and the next marketing year, which runs from April 1, 1963, to March 31, 1964. It is reasonable to expect that by holding production at maximum to the levels during the marketing year that ended March 31, 1962, and preventing any pro-

duction above the amount, while at the same time providing a substantial encouragement to individual producers to reduce their marketings below 1961-62 levels on a voluntary basis, it will be possible to close the gap between production and consumption.

The drop in consumption in the past year was as unexpected as it was unprecedented. Normal population growth alone should account for enough of an increase in consumption of dairy products nationally in the next 2 years to close that gap. Holding the Nation's total milk output to the 1961-62 level will permit consumption to "catch up" during the next 2 years.

CAN THEN CONVERT TO PERMANENT PROGRAM

It will then be feasible with little difficulty to convert the dairy income improvement plan to a permanent program. The experience of the first 2 years will provide guidance for the enactment of a program more perfect in specific details.

Mr. President, one of the reasons why I objected to the administration's original proposal was that it was for a permanent, brandnew program not based on any experience at all with the voting by dairy farmers in referendum, but would impose the program permanently on the dairy farmers. It seems to me we need to know first how the proposed program will work, before we devise a permanent program, so we can benefit by actual experience, particularly insofar as the details are concerned.

In the unlikely event that consumption of milk and milk products declines further so sharply that surpluses continue to pile up, even though output is below the 1961-62 level, it may be necessary in the future to reduce producer marketings below the 1961-62 level. There is every reason to believe this will not be necessary, and the experience of the coming 2 years covered by my program should show this. But if it does prove to be necessary, Congress can then enact legislation permitting the Secretary of Agriculture to reduce individual producer normal marketing levels by the necessary percentage below 1961-62 base.

That is a bridge that can be crossed when we come to it. The experience gained in operating a supply management program for 2 years will make it far easier to write constructive, sensible legislation providing for reductions in normal marketing levels, in the unlikely event that should prove to be necessary.

COSTS OF FARM PROGRAMS

Mr. President, I submit that this amendment should be adopted, because without it we have only the present program with low farm income and high costs. As the bill now stands, it provides nothing for dairy products, nothing for the dairy farmers, nothing for a dairy program; and virtually everyone agrees that the program we have this year is resulting in very, very low dairy farm income, but will cost a tremendous amount. Therefore, I submit that this amendment, or an amendment like it, should receive very, very serious consideration by the Senate.

Today, there is much talk—as there always is in regard to farm programs—

about the cost of the farm program. In fact, I believe it fair to say that approximately 75 or 80 percent of the consideration being given the new bill by both the President and the Senators who have spoken here today has been based on views to the effect that the present farm program is too expensive and too costly. Indeed, it is, Mr. President. But despite that fact, and although any proposal before the Senate should result in reducing that cost, I believe all of us should recognize in good conscience that there is another problem far more important: It is low farm income. The fact is that farm income is too low. Unfortunately, Members of the Senate have not, it seems to me, had an opportunity to consider adequately this point; and at this time I wish to stress it.

LOW FARM INCOME THE ROOT PROBLEM

The facts on low farm income add up to a pathetic story. While there has been a moderate improvement in earnings in many parts of our farm economy since the Benson era, this has by no means changed the basic picture.

As the senior Senator from Minnesota [Mr. HUMPHREY] said a few days ago, if a patient is sick and dying, with a fever of 106, and if the clergy has been called in for last rites, and then the fever abates to 105, this may be a welcome improvement—but it does not mean the patient is well.

The fact is that farm income has increased about \$1 billion during the last year. But the increase is modest, when seen against the history of pathetically low income in the previous 8 years. Nearly all of the gain will be lost in the coming year, insofar as the dairy farmers are concerned, since the support price was cut back to 75 percent of parity on April 1.

And I know from firsthand observation in recent trips through Wisconsin that though the patient was getting slightly better, he certainly was far from well.

SIXTY CENTS PER HOUR AVERAGE EARNINGS

Farm commodity prices are so low that, according to official Department of Agriculture statistics, farmers in my State average less than 60 cents per hour for their labor, although they invest an average \$40,000 in their farms and have increased their efficiency immensely.

Sixty cents an hour. No sweatshop has been able to get away with that for years. Not long ago the steelworkers union was widely praised for "restraint" when a steel wage settlement was achieved. The lowest factory wage set in that "noninflationary" wage agreement is several times that figure—several times what the average dairy farmer in Wisconsin is able to earn. And I invite Senators to come to Wisconsin, to see the up-to-date efficiency, based on skill, initiative, and training, that characterizes our dairy farms.

I want to emphasize that any modest improvement in Wisconsin farm income was more than wiped out on April 1, when the support price of manufacturing milk fell from \$3.40 to \$3.11 per hundredweight for milk of average test.

And the price for 3.5 test milk stands even lower—at \$2.85.

As a consequence, able, efficient, skilled dairy farmers in Wisconsin, with huge capital investments in their farms, are today, right now, going broke. These are not marginal producers. At a 75 percent of parity support price, the cost-price squeeze is on with a vengeance. Gross receipts fall, costs stay right where they were, and net income vanishes to zero. In the remaining 9 months of this year alone, as a direct result of the milk price support drop, farm income in Wisconsin is dropping \$35 million. The economic effect of this is being felt right now in widespread rural hardship, lagging prosperity in our towns and villages, and what could be the beginnings of a genuine farm depression.

CASE HISTORIES TELL THE LOW INCOME STORY

Overall averages of farm income figures may not be as vivid as actual case histories. A few days ago I received a detailed statement of the actual earnings and costs of operating 11 farms in one county in Wisconsin. These are typical, efficient, up-to-date dairy farms, with intelligent, skilled owner-operators.

As can be seen from the summaries, these are farmers who have the management ability to keep good books, a requisite for profitable farm operations. They have kept close tabs on their costs and on their receipts. They have worked intelligently to maximize their incomes. They are among the better and more prosperous and more efficient farms in Wisconsin. But with what results? Seven out of the eleven have an annual income below \$4,500. In the Federal service, that is about a GS-5 income. In a factory, it is about the lowest pay grade offered.

Yet these are men who work 65 to 75 hours a week, and whose families also contribute much work to the farms. They have some \$30,000 invested in their farms. They get nothing for their sharply increased efficiency, no profit as reward for their risk and management.

The other four, with investments in their farms ranging up to \$62,000, have incomes between \$5,591 and \$7,191. The detailed statistics describing their farms add up to an equally grim picture.

It should be noted that in these summaries, no depreciation on machinery or buildings, or interest, is included in farm expenses. If this were added in, the actual net income would be substantially lower.

The total capital shown is the inventory value at the close of 1961. Machinery and equipment is included at depreciated value. Livestock is at an appraised value based on the general market of both slaughter value and breeding stock value. Feed, including hay, grain, silage, and other supplies are listed either at cost or at standard market value.

I ask unanimous consent that the table of farm analysis summaries describing 11 farms in 1 Wisconsin county, sent to me by a responsible local official, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Farm analysis summaries, 1961

	Individual farmer										
	A.M.	R.M.	P.W.	E.W.	K.R.	W.H.	C.S.	G.G.	S.S.	G.S.	H.N.
Size:											
Total acres.....	180	258	412	260	210	268	178	220	120	247	100
Crop, acres.....	106	125	170	112	185	136	120	85	87	145	56
Authorized number milk cows.....	30	31	22	18	34	35	18	15	25	33	17
Milk:											
Total production, pounds.....	124,716	376,758	193,322	167,467	303,172	256,158	107,698	133,000	194,540	269,752	155,099
Authorized price per hundred-weight.....		\$3.75	\$3.40	\$3.25	\$3.45	\$3.25	\$3.50	\$3.40	\$3.45	\$3.45	\$3.35
Butterfat per cow.....	235	420	325	325	330	270	252	333	303	327	300
Income:											
Milk.....	\$5,242.20	\$14,043.02	\$6,927.67	\$5,347.42	\$11,001.29	\$8,949.99	\$3,888.63	\$4,513.33	\$6,711.64	\$9,269.62	\$5,746.97
Cows, calves.....	401.55	1,801.51	1,622.08	1,517.68	1,595.02	901.07	760.19	972.53	768.81	1,120.60	1,918.70
Hogs.....	692.10	1,152.40			4,350.94					1,144.93	
Miscellaneous income.....	161.52	242.95	2,629.66	872.28	782.47	1,122.43	656.96	1,871.94	193.35	712.59	278.30
Total cash income.....	6,499.37	17,239.85	11,179.41	7,737.48	16,134.70	10,973.49	5,305.78	7,357.80	7,673.80	13,247.74	7,943.97
Expense: Total operating expense.....	4,291.52	11,509.48	3,988.38	3,332.34	9,747.68	7,349.48	3,314.15	5,348.49	3,205.53	7,656.32	3,580.81
Net cash income.....	2,205.85	5,732.40	7,191.03	4,405.14	6,387.02	3,624.01	1,991.63	2,109.31	4,468.27	5,591.42	4,363.16
Total capital (inventory) Dec. 31, 1961.....	26,733.00	62,079.35	24,800.45	20,203.11	53,003.99	41,056.90	16,034.85	27,182.71	17,973.90	46,165.82	19,136.00
Machinery and equipment (depreciated value).....	3,447.00	19,710.39	4,946.45	1,987.68	15,121.99	10,543.00	3,036.85	8,947.48	6,670.74	4,659.26	3,356.00
Land (cost).....	3,000.00	4,500.00	4,349.00	2,650.00	4,000.00	3,651.00	1,000.00	1,500.00	(*)	6,289.00	5,500.00
Buildings (depreciated value).....	8,056.00	20,887.96	4,620.00	7,535.43	18,402.00	10,961.40	1,440.00	8,596.23	683.16	17,060.56	3,100.00
Livestock (appraised value).....	7,795.00	13,165.00	7,865.00	5,775.00	11,330.00	11,850.00	7,220.00	5,370.00	7,710.00	11,105.00	4,680.00
Feed and supplies.....	4,435.00	3,816.00	3,020.00	2,255.00	4,150.00	4,051.51	3,338.00	2,769.00	2,910.00	7,052.00	2,500.00

* 92 acres rented.

* Grade A.

* Grade B bulk.

* 50 percent Jersey herd.

* Farm owned by his mother; his equity in building improvement.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent to have printed in the RECORD a chart showing the labor incomes of 542 New York dairy farms in 1959. Actually, the figures today are about the same, on the basis of the price of milk and the costs on the farm. In fact, they are probably a little less.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Labor incomes of 542 New York dairy farms, 1959

	Average of 542 farms
Total farm receipts.....	\$22,548
Total farm expenses.....	\$16,255

Farm income.....	\$6,293
Interest on average capital of \$47,840 at 5 percent.....	\$2,392
Labor income per farm.....	\$3,901
Number of operators.....	606
Labor income per operator.....	\$3,489

The sum of \$3,489 equals \$67.10 per week at 72-hour minimum week divided by \$0.93 per hour.

(Above interpolations taken from Bulletin AE Ext. 92, May 1960, Department of Agriculture Economics, New York State College of Agriculture.)

Mr. PROXMIRE. Mr. President, the table shows that the labor income from these New York farms—on which the labor income is higher than that in Wisconsin—is approximately \$3,489 per operator, or \$67.10 a week, at a 72-hour minimum week, which amounts to 93 cents an hour.

The hourly rate earned by the farmer shown in chart B was derived from a study prepared by the Department of Agriculture Economics of the New York State College of Agriculture—a unit of the State University of New York—Cornell University, at Ithaca, N.Y. The study—chart B—relates to 542 average New York dairy farms for 1959. This

study reflects average investment, feed costs, supplies and miscellaneous costs, and residual annual earnings for the farmer.

These earnings have been reduced to a per man hourly basis for a 72-hour average week during 1959. And to determine average per hour yield to the dairy farmer shown in chart A, I have taken 1959 as a base year and then worked this backwards to 1946, adjusting the per hour wage according to the net—blend price—for milk received by the farmer. Admittedly, there are other factors that can be used in making up this chart—particularly involving the cost of living index—so that the dairy farmer's present plight is in fact worse off on real wages than shown in this chart. However, this interpolation offers a good guide to what has happened to the farmer's hourly wage.

THESE ARE A DAIRY FARM ELITE

These are not farmers who produce manufacturing milk, as many in Minnesota do, or as many in my own area do; these are farmers in milk shed areas that sell much of their milk as fluid milk, and sell it at a much higher price than the support price. These are farmers who, in spite of that fact, have a pitifully low income, an income substantially below the minimum wage, and yet who have very large investments in their farms, and who have put in modern equipment and increased their efficiency greatly in the past decade.

To explain "blend price paid to farmer," it should be noted that this is the actual price which the farmer received for all of his milk—class I and class II milk; and, in many cases this price is reduced even further by hauling costs from the farm to the co-op or processing plant. Class I represents all milk sold in fluid form for drinking purposes. And class II milk represents all milk sold for processing into cream, butter,

ice cream, cheese, and similar products. The actual price for fluid milk—class I—to the farmer averaged about 1 cent per quart higher than shown above. And the average price for class II milk—processing milk—was about 40 percent less than the above. What really matters, however, is the blend price—the amount which the farmer actually received for all of his milk. And this is precisely what chart A shows under "blend price paid to farmer."

The wages shown for the farmer do not allow for the toil put in by members of the farmer's family, such as his wife and children. The wages shown do not allow for time and a half or double time that factory labor would have received in the average 72-hour week that the dairy farmer puts in. The interpolated wage does not allow for unforeseen contingencies, animal sickness, uninsurable accidents, and similar conditions. Yet, he is paid less than wages received for the most unskilled labor today. In fact, all through the 16-year period shown above, his wages have averaged less than that of a sweeper or janitor in the steel mills and far, far less.

I ask unanimous consent to have printed at this point in the RECORD a table which shows the blend price per quart paid to farmers, the average home delivered price per single quart paid by consumer, the average hourly amount earned by farmer based on conversion of blend price to earnings per hour, the average hourly amount earned by sweepers and janitors in steel mill, the cost of living index, the annual sales by one of the large American dairy product processors, and the annual profit before taxes by dairy processor in the previous column.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Milk price—Cost of living—Sales and earnings chart

Year	Blend price per quart paid to farmers ¹	Average home-delivered price per single quart paid by consumer ¹	Average hourly amount earned by farmer based on conversion of blend price to earnings per hour ²	Average hourly amount earned by sweepers and janitors in steel mill ³	Cost-of-living index ³	Annual sales by one of the large American dairy product processors ⁴	Annual profit before taxes by dairy processor in previous column ⁴
1946-----	\$0.115	\$0.181	\$0.805	\$0.965	83.4	\$742,409,000	\$46,829,000
1947-----	.120	.202	.893	1.09	95.5	897,323,000	39,226,000
1948-----	.135	.222	1.004	1.185	102.8	986,404,000	42,583,000
1949-----	.130	.227	.967	1.185	101.8	897,676,000	57,088,000
1950-----	.115	.211	.805	1.31	102.8	906,641,000	65,022,000
1951-----	.130	.239	.967	1.31	111.0	1,006,117,000	67,117,000
1952-----	.135	.245	1.004	1.435	113.5	1,141,300,000	71,150,000
1953-----	.125	.243	.93	1.52	114.5	1,232,100,000	81,370,000
1954-----	.120	.242	.893	1.57	114.8	1,210,300,000	76,890,000
1955-----	.125	.248	.93	1.685	114.5	1,260,200,000	79,690,000
1956-----	.125	.255	.93	1.82	116.2	1,352,900,000	76,470,000
1957-----	.130	.272	.967	1.89	120.2	1,432,300,000	83,760,000
1958-----	.125	.275	.93	1.96	123.5	1,548,400,000	90,490,000
1959-----	.125	.283	.93	1.96	124.6	1,605,700,000	98,460,000
1960-----	.124	.27	.923	1.96	126.4	1,667,200,000	101,950,000
1961-----	.12	.281	.893	2.03	127.9	-----	-----

¹ Hartford area.² See "Labor incomes, chart B," below.³ U.S. Department of Labor.⁴ National Dairy Products Corp.⁵ Does not include various fringe benefits and cost-of-living adjustments.⁶ These prices average 3 to 4 cents per quart higher than gallon jug prices. Similarly, though, if gallon jugs were available during 1946-58 these home-delivered prices would have been proportionately lower.

Mr. PROXMIRE. Mr. President, I have only a few more remarks to make. I wish to comment on the brilliant defense by the chairman of the Committee on Agriculture and Forestry of the emergency feed grain proposal, when he was discussing the situation with the distinguished Senator from Florida. I was impressed by the defense, because the Senator from Louisiana showed once again what a fairminded man he is. The fact is that later he introduced an amendment to the emergency feed grain section of the bill which he had defended in arguing the question with the Senator from Florida.

The point I make is that a 9-to-8 majority in the Committee on Agriculture and Forestry voted against the administration's mandatory feed grain program, which I have shown would be voted down in a referendum of farmers if Congress adopts it, and in favor of continuing the present emergency feed grain measure. I urge Senators to read my analysis of the referendum in the CONGRESSIONAL RECORD of May 17, pages 8071 to 8077.

The chairman of the committee did a fine job in defending the present voluntary feed grains program as one that reduces costs, as one which is practical, as one which has increased farm income, as one which the farmers like, and as one which is popular. I think all Senators should recognize that this is the sound alternative, which is in the bill now.

MANDATORY FEED GRAINS PROGRAM WILL LOSE IN REFERENDUM

If a mandatory feed grains program is enacted, I am convinced that a majority of the feed grain farmers—certainly more than one-third—will vote "No" in the referendum. If they do, it means no price supports and no controls at all.

I say that not because the farmers will do differently from what farmers have done in the past; I say it for the reason that most of the people voting in the referendum will not be farmers who grow feed grains for sale off the farm. Thou-

sands of the dairy farmers in my State, for example, will be eligible to vote, and they virtually all grow feed grains to feed on their farms. They will have a logical reason to vote "No." Some will vote "Yes" out of a notion of the importance of it to the Nation as a whole, but any dairy farmer who sits down with a pencil and figures out how it is going to affect him will vote against a compulsory program, and for good reason. A compulsory program means that his own feed grain production which he feeds exclusively to his own dairy herd will be cut by as much as 20 percent or more.

"NO" VOTE IN FEED GRAIN REFERENDUM LOGICAL FOR DAIRY FARMERS

But since the dairy farmer grows feed grains only for feeding his own cows, it cannot affect the price he receives for milk at all. The price he receives is going to continue at the present low level of \$3.11 unless we reverse the Agriculture Committee and change the law. So why should the dairy farmer do anything at all but vote against the compulsory program?

Many hog farmers and beef farmers will feel the same way. The majority of farmers who produce feed grain believe they have no obvious reason to vote for the program.

Sam Lubell, the professional pollster, has talked to thousands of farmers in his scientifically condensed poll, and concludes that farmers will vote against the program. If they vote against it, there will be no program. There will be no price controls. It will result in very low prices for beef and hogs, and eventually a very heavy surplus of milk.

ALTERNATIVE IS PRESENT SUCCESSFUL PROGRAM

Rather than take such a substantial, potentially ruinous risk, I urge that the present successful, popular involuntary feed grain surplus reduction program be extended. This has been recommended by a 9-to-8 vote in the Senate Agriculture Committee. It is not the

Benson program. Rather it is an extension of the program proposed by the administration last year.

That is why I say President Kennedy was tragically misinformed when he said at his press conference Thursday that "We will go back automatically by statute to the Benson program" if administration mandatory farm proposals are not enacted. This is not a correct statement of the situation.

The feed grain section of the farm bill has been called its heart. My amendment, which was adopted by the Agriculture Committee, is not the Benson program.

The Proxmire amendment is an extension of the successful voluntary feed grain program proposed by the administration itself last year.

HAS REDUCED REAL COSTS

This program has reduced real costs to the taxpayer substantially and has increased farm income. It is popular and is working. With modifications I have proposed it can operate even more effectively to reduce surpluses and cut costs.

The President stated that rejection of the administration-backed mandatory program will cost taxpayers \$4 billion more in the next 4 years. This assumes that the successful voluntary feed grain program will be ended. This assumption is wrong. The bill before the Senate does not provide this. It extends the voluntary program.

If the voluntary feed grain program is extended, real costs will again be substantially reduced. Payments in kind use up huge amounts of surplus stocks which otherwise would be disposed of in programs bringing no dollar returns.

But if the mandatory program is enacted, it faces the near certainty of defeat in the required producer referendum. The adverse votes of hundreds of thousands of farmers who have little interest in feed grain price supports will strip this largest sector of our farm economy of any price support stabilization.

Of course if the mandatory program is rejected by farmers—a near certainty according to all independent observers—costs to the Government will temporarily drop. But in a few years they might be far higher. Meanwhile hundreds of thousands of farmers will go broke. We will have no feed grain controls of any kind, no price supports, and the certainty of a cruel Government-created farm depression with 9-cent hogs, huge dairy surpluses, and a future farm problem of even greater proportions.

BILL EXTENDS PRESENT VOLUNTARY FEED GRAINS PROGRAM

The President stated that rejection of the administration-backed mandatory program will cost taxpayers \$4 billion more in the next 4 years. This assumes that the successful voluntary feed grain program will be ended. This assumption is wrong. The bill before the Senate does not provide this. It extends the voluntary program.

As the chairman of the committee and as the Secretary have said, the voluntary program is working: it has increased farm income and has reduced

the cost of the farm program. If the mandatory program is rejected by the farmers—and this is a near certainty according to all independent observers—the result will be a real disaster for farmers and the Nation.

SIMULTANEOUS REFERENDUMS MIGHT HELP

I have suggested to the Secretary that we have simultaneous referendums for all marketing goods programs. This might help win approval for a mandatory feed grains program.

Unless a referendum is held on all or most, marketing quota crops at one time, and each producer is required to cast one vote either for or against marketing quotas on all quota crops on his farm, it is a reasonable probability that a mandatory feed grains program will not be approved by a two-thirds majority in a referendum any time in the near future.

This conclusion appears warranted on the basis of the geographic distribution of the feed grain producers eligible to vote in a referendum.

Because of the ease of combining the referendums for wheat and feed grains, it is assumed in this discussion that this would be done. If wheat and feed grain marketing quotas were voted on simultaneously, would it be important also to realine the referendums requirements on cotton, tobacco, and peanuts to permit a single vote on marketing quotas on all quota crops grown on each farm?

The answer appears to be yes.

For a number of years the producers of cotton, tobacco, and peanuts have approved marketing quotas on these crops by wide margins. This is no indication, however, that those who also produce more than 25 acres of feed grain would approve quotas for feed grains.

One of the reasons for the high favorable vote on the cotton marketing quota referendums and to a lesser extent on the tobacco referendums has been the absence of restrictions on the use of the land diverted out of cotton and tobacco production. In 1961, 11,260,000 fewer acres of cotton and 606,000 fewer acres of tobacco were harvested than in 1951. Much of this land, diverted out of cotton and tobacco, has been utilized for the production of soy beans and feed grains to the advantage of the region. Livestock production has been expanded.

These farmers who produce feed grains as a supplement to their major money income crop of cotton or tobacco probably would vote quite differently in a separate and independent referendum on marketing quotas for feed grains. And the smaller the favorable vote in these States the larger the favorable vote that would be required in the surplus producing areas to achieve a national two-thirds majority favorable vote.

In the important cotton-, tobacco-, and peanut-growing States, excluding Missouri, an estimated 292,000 farmers produce over 25 acres of feed grains. In these same States there are approximately 500,000 cotton producers with allotments of over 5 acres, 270,000 tobacco producers with allotments of over 1 acre, and 45,000 peanut growers with allotments of over 10 acres. In view of the large number of cotton and tobacco pro-

ducers in relation to the 292,000 feed grain growers, it is highly probable that most of the feed grain producers in these States also produce either cotton or tobacco.

Since most of these States utilize more feed grains than they produce, and many of the producers buy additional feed grains, it is doubtful that they would approve marketing quotas on feed grains by as much as a two-third majority. Because of their regional economic interest, it is unlikely that they would approve marketing quotas in larger numbers even after intensive educational programs. Even though marketing quotas were approved by a substantial proportion of these producers the first year it is probable the favorable votes would decline in subsequent referendums.

If each of these producers were required in one vote either to approve or to disapprove of marketing quotas on all quota crops on the farm, however, feed grain marketing quotas would receive many more favorable votes in the Southern States than otherwise.

PROBABLE SMALL FAVORABLE VOTE IN DAIRY AREA

Feed grain producers in the surplus areas would not be as dependent on a large favorable vote in the Southern States except for the lack of support in the dairy area.

There are about 215,000 producers growing more than 25 acres of feed grains in the States beginning with Wisconsin on the West, including Michigan, Ohio, Pennsylvania, New Jersey, New York, and the New England States. All reports indicate that fewer than a majority of these producers will favor marketing quotas for feed grains.

SOME POSSIBILITIES

If 50 percent of the eligible feed grain producers in the southern and dairy area States approved a referendum on marketing quotas for feed grains, a 77 percent favorable vote would be required in the Corn Belt and wheat areas to achieve a national two-third favorable vote. This possibility seems to me to be slight.

If 60 percent of those eligible to vote in these two feed deficit areas approved marketing quotas, a 71 percent favorable vote would be required in the Corn Belt and wheat areas to achieve a two-third favorable majority of all producers.

If, however, no more than 40 percent of the eligible producers in the deficit feed producing States of the South and in the dairy area approved marketing quotas on feed grains—a distinct possibility in view of their regional economic interests—84 percent of those in the Corn Belt and wheat areas would have to approve quotas to achieve a two-third majority for the entire country.

SIMULTANEOUS REFERENDA ON FEED GRAINS, WHEAT, AND COTTON NEEDED

In view of the above facts, it appears that if a mandatory feed grain program is to be successful over a period of years with a majority of two-third of the eligible producers approving marketing quotas, simultaneous referenda should be arranged for at least the three major crops—feed grains, wheat, and cotton—with each farmer casting one vote either

for or against marketing quotas on all quota crops on the farm.

DAIRY SURPLUS REDUCTION AMENDMENT

Mr. President, finally, I submit for printing under the rule, an amendment to provide for a reduction in the dairy surplus by permitting dairy farmers to reduce production 10 to 25 percent, or 30,000 pounds, whichever is greater, in return for which the farmers would receive \$2.50 per hundredweight. This is also incorporated in my main dairy income improvement amendment. However, in the event the other dairy amendment is not agreed to, I expect to offer this more modest amendment. The House already has included such a provision in the bill.

This proposal could save money for the Treasury. It could reduce the cost of the farm program, because for every hundredweight cut back the Federal Government would save \$2. This would be true because it costs the Federal Government \$4.50 to acquire each hundredweight of milk. If a hundredweight is not produced, the Government can pay \$2.50 and save \$2.

Mr. President, I submit the amendment, and I yield the floor.

The PRESIDING OFFICER (Mr. Hickey in the chair). The amendment will be received and printed, and will lie on the table.

INTERNATIONAL CASTINGS WEEK

Mr. DIRKSEN. Mr. President, on May 17, 1962, the Senate passed Senate Joint Resolution 149, which authorizes the President of the United States to designate the week of May 6, 1962, as International Castings Week. Inasmuch as that date has already passed, I ask unanimous consent that the joint resolution may now be reconsidered, so that I may offer an amendment to it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I now ask that the joint resolution be amended to read "The week of June 25, 1962."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 149) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Whereas the Twenty-ninth International Foundry Congress will convene May 7 through 11, 1962, in Cobo Hall at Detroit, Michigan; and

Whereas this International Foundry Congress will be attended by thousands of the leading metallurgists, technologists, engineers, and operating managers of cast metals plants in the United States and Canada, and in more than forty-eight other countries throughout the world; and

Whereas this international event is sponsored annually by the International Commit-

tee of Foundry Technical Associations, comprising the nonpolitical technical foundry associations of the following twenty-two countries: Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain, Hungary, India, Israel, Italy, Japan, Yugoslavia, the Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, and the United States; and

Whereas the American hosts at this 1962 International Congress will be the American Foundrymen's Society and the National Castings Council, together comprising eleven major associations serving small, medium size, and the largest plants of the American castings industry; and

Whereas metal castings are essential engineering materials for the products of industry, the military, the space age, and all civilized nations; and

Whereas the importance of the metal castings industry has long been recognized by many United States governmental services, among them the Department of State, Department of Commerce, Department of Labor, Department of the Navy, Department of the Army, Department of Defense, Department of the Treasury, Atomic Energy Commission, Central Intelligence Agency, International Cooperation Administration, and Smithsonian Institution; and

Whereas it is fitting to recognize this event which will contribute to the principle of free and cooperative interchange of technical information between all nations in the interest of self-development and peace: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be requested to designate the week of June 25, 1962, as "International Castings Week" in recognition of the Twenty-ninth International Foundry Congress and its theme of "Castings Technology for World Progress."

The title was amended, so as to read: "Joint resolution authorizing the President of the United States to designate the week of June 25, 1962, as 'International Castings Week'."

ORDER FOR ADJOURNMENT

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Has an order for adjournment been entered?

The PRESIDING OFFICER. No.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED WITHHOLDING ON TAXES OWED ON DIVIDENDS AND INTEREST INCOME

Mr. DOUGLAS. Mr. President, last week I reported that I had received approximately 50,000 communications from my State in opposition to the method of collecting the income taxes already owed on dividends and interest by withholding a basic 20 percent at the source. I report today that the deluge of mail still continues.

I believe the vast proportion of the people who write these letters are mis-

informed about the nature of the problem and misinformed about the degree of difficulty which they would experience. So once again I take the opportunity of speaking about this subject not merely to the Senate, but also to the country through the medium of the CONGRESSIONAL RECORD.

AMOUNTS AVOIDED OR EVADED ARE HUGE

I do not believe the people generally realize the amount of money which is lost to the Treasury by reason of the failure of those who receive dividends and interest income fully to report the amounts which they receive. As we all know, there is a withholding tax imposed on wages and salaries, and the percentage of avoidance and evasion on this income because of the method of collection is very small indeed.

The Treasury has now issued revised estimates, taking account of all criticisms, with respect to the gap between the dividends and interest paid and the amounts which are reported by the recipients on their income tax returns.

For the year 1959 the gap is reported at \$3.8 billion. The amount of taxes owed on the amount paid in dividends and interest, either evaded or avoided, is estimated at \$880 million. The amount which it is estimated withholding would have collected is \$700 million.

The estimate for 1960, which I hinted at in my statement of last week and which has now been confirmed, is that the gap between dividends and interest paid and the amounts reported on income tax returns came to \$4.4 billion; and that the amount of taxes owed, either evaded or avoided, came to \$1,040 million. The estimated amount which withholding would have collected is \$830 million.

ONE BILLION, ONE HUNDRED MILLION DOLLARS WILL BE LOST IN 1963

It is now estimated that for the year 1963 the gap will amount to between \$4.9 billion and \$5.2 billion; that the amount of taxes which will be owed and either evaded or avoided, will come to \$1,150 million; and that withholding would collect \$910 million.

These are enormous sums. Because such large amounts are owed but not paid and because the tax is evaded or avoided, the burden upon those who pay their taxes becomes correspondingly heavier. I am frank to say that unless we close this great loophole or sluiceway any reduction in taxes sought by other portions of the tax bill really cannot be appreciable in amount. If withholding on taxes owed on dividends and interest income is killed, there will not be very much to share among other claimants for reduced taxation.

It will be virtually impossible then for the investment credit tax to go through. I am not very keen about that provision.

But even if we were not to have investment credit, we could not get any other reductions in the form of a decrease in the corporate tax, a decrease in the tax of small business, or a decrease in the excise taxes. So the very center of the tax bill is the question of withholding.

The Treasury's estimate that \$1.1 billion in taxes already owed on income

from dividends and interest in the calendar year 1963 will be evaded or avoided represents a scandalous situation.

COMMON MISCONCEPTIONS

I should like to emphasize that the Treasury's proposal to withhold the taxes already owed on dividends and interest income at the source is very simple.

First. It is not a new tax. I emphasize that point again. Although from one-third to one-half of the people who write me think it is a new tax, it is not a new tax. It is merely a better method of collecting an existing tax.

Second, it would not hurt the widows, orphans, low-income groups, or the old folks.

Third, it is not a tax on the principal or money in the savings account but only on the interest earned.

Fourth, the cost of administration would be very low.

Fifth, the Treasury's automatic data processing system is no substitute and would collect less, cost more, create more paperwork, and be far more burdensome.

Sixth, there is no reason why withholding should not go into effect.

WITHHOLDING IS TEST OF CONCERN FOR FISCAL SOUNDNESS

I am absolutely amazed that many of the same individuals and same groups who are constantly criticizing the size of our national debt, who are demanding that the budget be balanced, and who appeal for fiscal soundness are fighting this proposal.

The \$1.1 billion in taxes avoided and the \$900 million in taxes per year which withholding would collect may be small potatoes to them but it is a big amount to me.

The test of their real concern about fiscal soundness will come when we vote in the Finance Committee or on the floor of the Senate on the withholding provision.

AUTOMATIC DATA PROCESSING NO SUBSTITUTE

Before I go into the detailed program, let me say that some are alleging that the automatic data processing system should be used instead. But this would require every paying institution to send to the Treasury a record of almost every payment made. This would mean some 250 million additional reports per year.

Furthermore, automatic data processing would not collect the taxes owed. It would merely provide information to the Treasury. To collect the taxes which withholding would collect the Treasury would need to increase the number of their agents by 70 percent, and this would cost, with an average salary of \$7,500, approximately \$100 million a year.

To collect the taxes already owned on dividends and interest, automatic data processing would be more burdensome, would require more work, and would be many times more costly than the simple withholding proposal which many of those who are opposing it do not even understand.

Although these may seem somewhat repetitious, I wish to repeat again answers to some of the major misconceptions. Among these major misunderstandings are the following:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 23, 1962

For actions of May 22, 1962

87th-2d, No. 81

CONTENTS

Appropriations.....	39	Food-for-peace.....	2	School lunch.....	10
Atomic energy.....	14	Foreign affairs.....	19	Small business.....	5, 32
Conservation reserve.....	28	Foreign aid.....	3, 37	Soil bank.....	28
Copyrights.....	16	Foreign trade.....	20, 24, 33	Soil conservation.....	22, 29
Cotton.....	35	Lands.....	13, 29, 31	Stockpiling.....	36
Cultural exchange.....	9	Law.....	15	Sugar.....	40
Dairy industry.....	6	Loans.....	7	Surplus food.....	2
Exports.....	4	Opinion poll.....	23	Taxation.....	38
Education.....	9	Personnel.....	30	Territories.....	17
Export control.....	33	Public facilities.....	7	Transportation.....	25, 34
Farm program.....	1, 11, 27	Public works.....	8	Treasury.....	18
Feed grain.....	1	Reclamation.....	12	Wheat.....	1
Fisheries.....	26	Retirement.....	30	Wildlife.....	21

HIGHLIGHTS: Senate debated farm bill. Senate committee voted to report foreign aid bill. House Rules Committee cleared bill to revise school lunch fund apportionment formula. Rep. Findley criticized wheat and feed grains provisions of farm bill.

SENATE

1. FARM PROGRAM. Continued debate on S. 3225, the farm bill (pp. 8260-72, 8276-86, 8289-98). Agreed to a unanimous-consent agreement by Sen. Mansfield that on Thurs., May 24, a vote shall be taken on the Ellender wheat amendment at 2 p.m., and a vote shall be taken on the Ellender feed grain amendment two hours later (pp. 8295-6).

Sens. Eastland, McCarthy (for himself and Sens. Humphrey and Metcalf), and Proxmire submitted amendments intended to be proposed to this bill, S. 3225. p. 8244

Sen. Miller inserted a newspaper editorial, "Truman's Farm Views," critical of a recent remark of former President Truman about farmers being "the biggest yellers in the country." p. 8297

2. SURPLUS FOOD. Sens. Mundt, Humphrey, Carlson, Javits, and Keating discussed the plight of refugees fleeing from Red China to Hong Kong and urged the use of U. S. surplus foods to aid these refugees. pp. 8253-6, 8272-3

Sen. Humphrey referred to an article concerning famine-stricken villages in Dahomey, West Africa, and commended the food-for-peace program in sending food supplies to help relieve the situation. p. 8299

3. FOREIGN AID. The "Daily Digest" states that the Foreign Relations Committee "by a vote of 14 to 3, ordered favorably reported with amendments S. 2996, proposed Foreign Assistance Act of 1962 ... the committee cut funds for supporting assistance by \$50 million so that this fund now would provide \$400 million. p. D393
4. EXPORTS. The Banking and Currency Committee voted to report (but did not actually report) with amendment S. 3161, to repeal Sec. 12 of the Export Control Act of 1949 so as to provide for continuation of the authority for regulation of exports. p. D393
5. SMALL BUSINESS. The Banking and Currency Committee voted to report (but did not actually report) with amendment S. 2970, to amend the Small Business Act so as to provide for the establishment of a revolving fund to finance certain functions of the Small Business Administration. p. D393
6. DAIRY INDUSTRY. Sen. McCarthy criticized the use of health requirements to restrict the interstate movement of milk and inserted a Minn. State Board of Health resolution opposing the use of such requirements and favoring enactment of S. 212, the proposed National Milk Sanitation Act. pp. 8246-7
Sen. Wiley stated "that the solution to the milk problem is to be found" in greater consumption, more adequate distribution, and expanded research to find industrial uses for dairy products. p. 4247
7. LOANS. The Banking and Currency Committee reported with amendment S. 3327, to make certain federally impacted areas eligible for assistance under the public facility loan program (S. Rept. 1519). p. 8243
8. PUBLIC WORKS. Sen. Gruening stated his intention to propose an amendment to S. 2965, the proposed public works acceleration bill, to increase the amounts authorized to be appropriated for an emergency program of public works, and inserted replies he had received from certain States on the need for additional public works projects. pp. 8286-9
9. EDUCATION; CULTURAL EXCHANGE. Both Houses received from the State Department report on the educational and cultural exchange program for the fiscal year 1961. pp. 8240, 8243

HOUSE

10. SCHOOL LUNCH. The Rules Committee reported a resolution for the consideration of H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. pp. 8222, 8240
The Committee report states that the bill makes the following changes in the National School Lunch Act:
"The formula for apportionment of cash assistance funds among the States is based upon number of type A lunches served in the preceding year, including those served without milk as a beverage, and the assistance need rate for the State. Under existing law, funds are apportioned on the basis of total school-age population. During the fiscal year beginning July 1, 1962, one-half of the cash assistance funds will be distributed under existing law and one-half under the new formula.
"A special assistance fund is authorized to assist schools drawing attendance from areas in which poor economic conditions exist and which are not financially able, with the basic assistance provided under the act, to

erator of CMM; Rev. Daniel Powers, S.J., of Georgetown University; Donald H. McGannon, president of Westinghouse Broadcasting Co., who assisted in the formative period of CMM; James A. Stabile, president of CARTA and vice president of National Broadcasting Co.; Attorney Thomas H. Wall, treasurer of CMM; Joseph E. Baudino, vice president of CMM and vice president of Westinghouse Broadcasting Co., of Washington; Hon. J. Howard McGrath, former Attorney General of the United States; Mrs. Gertrude G. Broderick, Educational Media Specialist in the Office of Education, HEW, and Senator Pastore.

Senator PASTORE's address on "The Image of America" is of such timely inspiration and real merit that I request that it be included in the body of the RECORD at the conclusion of these remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR JOHN O. PASTORE, OF RHODE ISLAND, AT THE FIRST ANNUAL COMMUNION BREAKFAST OF THE CATHOLIC APOSTOLATE OF MASS MEDIA, PRESIDENTIAL ARMS, WASHINGTON, D.C., MAY 20, 1962

Fellow Americans, I deeply appreciate the honor of sharing in the very first annual communion breakfast of the Catholic Apostolate of Mass Media. This honor is enhanced by the sincerity of your fellowship. Indeed, your little brochure reveals your sense of responsibility.

There is honor and there is humility as we join, as Catholics, in this morning of peace and reconciliation. For we are Christians and Catholics not on our own terms—but as we accept the truths laid down by the First Teacher over 1,900 years ago. These were the truths compiled and communicated by the first apostolate. Theirs was a miracle of communication.

In those days few could read. So the Gospel—the good news—had to be shouted in the markets and preached upon the streets. The apostles raced all over the known world on their mission—and their work lives after them.

Theirs was a humble beginning. Before the first Christian Pentecost with its gift of tongues there were some 120 disciples. Today in America alone 43 million Catholics will be making their way to the sacrifice of the mass.

Around the world today some 537 million Catholics will hear the same message of justice and joy. But, at this hour, justice and joy will have little meaning for much of mankind.

Put your finger blindly on any map of the world and you touch a trouble spot. The passions of the people are ready to burst into flame.

Berlin, Indochina, Suez, Iraq, Cuba, Algeria, the Congo, Bizerte, Goa, Rhodesia, Angola, Laos, Vietnam, West New Guinea, the Dominican Republic and most of Latin America.

It is almost a rollcall of revolution. It seems the world map has been redrafted into an atlas of anxiety, anger, and antagonism.

Extend your hand to help any of them and some other nation is waiting to be hurt.

There is just one overtone as these new nations raise their voices to be heard. Each and all want the modern miracles of science—they demand those miracles as the basis for a better life. Upon those material blessings they are determined to build national independence and individual dignity.

There is just one undertone—which way shall they turn for their goals? Will they be with the East or the West? Their decision is fraught with danger for us. Where shall we find a balance of people to match a balance of power?

It is tiresome to deal in forecasts and figures—but not if the forecast is your future and mine—and not if the figures are so many human beings made in the image of the Creator we acknowledge this morning.

The forecast gives us something to think about.

Optimists dare to think in terms of the year 2000—40 years from now. That's not too far—40 years ago seems only yesterday.

In the year 2000 even if Communist territory doesn't expand one single square inch—their subject-people will outnumber us two and a half to one. The Communists will then have 5 billion people.

The Western nations will then possess 2 billion souls.

Where shall we find the safety—cushion of 3 billion people?

We must find them in these new underdeveloped nations. They are mostly non-whites knocking on the door of opportunity. Make no mistake—a major part of the problem will be America's, for we have the most to give—and, likewise, we have the most to lose.

How shall we persuade these new people that our way leads to self-determination and freedom—and the other way lies slavery?

How shall we communicate the character of our country? How shall we project the "image of America"?

That is the challenge of our times.

I feel that time works in our favor.

Wherever new nations may turn they see that the kiss of communism has meant hunger and the savagery of the police state. Only 90 miles away, the object lesson of Cuba forces that picture of poverty and peonage on our vision.

What is the "image of America" from the outside? A Minister of France expressed it the other night. No nation could ask a happier endorsement.

"For culture—for an Atlantic civilization—for the freedom of the mind," he said, "I offer a toast to America—the only nation that has waged war but not worshipped it—that has won greatest power in the world but has not sought it—that has wrought the greatest weapon of death but has not wished to wield it—may it inspire men with dreams worthy of its action."

This is fine language—but that is also the fact of history. We have not worshipped war or sought revenge. We forgave Japan for the butchery of Bataan—and helped a fallen foe to its feet. We have never prostituted victory nor retained conquered territory. At this hour we defend Berlin with our lives.

Out of our nuclear power we have endowed the world for peace. Atoms for peace is our pledge—and we go more than our share of the distance to disarmament.

And we dare to dream, as Americans. We dare to deserve opportunity and to grasp it. We dare to rise with no restriction of race, religion, color or creed.

We dare to dream because we possess the "image of America" within us—the creed of our creators—for which they pledged their lives, their fortunes, and their sacred honor.

We are Americans—not on our terms—but on the eternal truths for which they fought and died. These truths shall never be trite. We dare not hold them cheap.

Life, liberty, and the pursuit of happiness—all men are created equal—endowed by their Creator with certain unalienable rights.

These words roll like music from the lips of the schoolboy—and they must find rest and respect in the heart of every loyal citizen.

These truths shall become threadbare only as we stain their sincerity with racial distinctions—as we soil their fiber with treason—only if we foul the "image of America" with deeds and designs unworthy of our heritage of dignity and decency.

This must never happen. That is the responsibility of us all. But some of us bear a special responsibility because of our place in society—our place and our power.

The scientist has his responsibility—the priest—the teacher—the doctor—but none has greater responsibility than those involved in the mass media of communication.

I commend you for your understanding of that responsibility.

The spoken and written word—the idea—the advice—the philosophy—the diversion—the entertainment—the reflection of our democratic life—the communication of all these has attained new dimensions and new dangers.

Newspapers and magazines of massive circulation—the radio and television now reaching into space—all these are searching out the hearts and minds of men everywhere.

Mass communication is the master teacher. At home it molds public opinion and private life. It can inspire or impair the individual—and national character is largely in its keeping.

It helps man to know the nature of the vital struggle he is in—a struggle in which the future of freedom is the prize.

Abroad—communication sends the message of our kind of civilization—the spiritual, moral, and material advances possible under a rule of human freedom under God.

It is the tragedy of our times that science has risen to its highest and noblest at an hour when human understanding and communication are at their lowest.

We know that science has an answer for most of the problems that have always divided man. Science has a remedy for all the reasons for which nations fight.

If man wills, poverty, hunger, and disease can be plagues only of the past. There can be food a plenty for billions more. Health is to be had for the asking. There is elbow room for all humans—material happiness—and peace.

This is our good news—our gospel. We send our Peace Corps—our food for peace—our material aid—our money—or scientists—our teachers—and we send our deeper message of hope and help as we send the "image of America."

In the companionship of this morning we venture to define the American credo as recognition of God and practical love of neighbor. It is the rule of reason—it is intelligence fortified by a sense of moral responsibility.

We dare to believe that Chinese walls and iron curtains could crumble before it. We remember that the Roman Empire retreated before the Twelve.

We know that the dawn of peace will come to the world only with the sunrise of moral responsibility by men and nations.

That the world can be made moral is more than a utopian dream. It must be the goal of man. That divine command is as old as the Christian era—it is as new as the sacrifice of this morning.

That is our faith. To lose faith in that is to lose all. It is a struggle. It is a battle that cannot be fought in secrecy. It needs to be told. It needs to be shouted in the marketplace. It needs to be preached in the streets. It needs to arch the heavens to hidden hearts. It needs communication—it needs you.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there further morning business? If not, morning business is closed.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I call up the amendment designated "5-21-62—C" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, it is proposed to strike out line 17.

Beginning with line 20 on page 29, strike out all through line 9 on page 30, and beginning with line 11 on page 54, strike out all through line 6 on page 66.

Mr. HUMPHREY. Mr. President, I ask the Senator from Louisiana if this amendment pertains to the section of the bill which relates to the plans for wheat-production controls.

Mr. ELLENDER. Yes.

Mr. HUMPHREY. What does the amendment do? Does it strike out one of the options?

Mr. ELLENDER. Yes. As the Senator from Minnesota knows, the Committee on Agriculture and Forestry adopted, with some amendments, the provisions which were submitted by the administration. Then an optional provision was placed in the bill which would give the farmers the opportunity to vote either for the revised bill affecting wheat or to extend the emergency provision of the wheat law for 2 years.

If the farmers decided that they did not desire the new wheat law, as proposed, they could vote for the optional plan. In a nutshell, that would mean an expenditure by the Government for the next 2 wheat crops after this year of almost \$350 million a year to be paid for diverted acres. That amount might be increased, depending upon the number of acres which would be diverted. At the end of the 2 years, the old law, which has given so much trouble, would then become the law again. In other words, the optional plan would not be perma-

nent legislation by any means but would be temporary legislation. At the end of 2 years, the law which has given so much trouble in the past would be reinstated.

Before the Senate is called upon to vote on this amendment, it will be my purpose to explain again to the Senate the import of the amendment as well as to make an explanation of the new permanent program which would be in effect should the administration's proposal, as modified by the committee, be enacted.

Mr. HUMPHREY. I thank the Senator from Louisiana for his explanation. Whatever might be the Senate's action concerning this proposal, the RECORD ought to indicate now, so that there may be proper consideration of the amendment, the purpose of the amendment.

Do I correctly understand that, ultimately, the main objective is to put the wheat proposal into the bill along the lines proposed by the Senator from Louisiana at the time of the introduction of the bill?

Mr. ELLENDER. With some modifications, the Senator's statement is correct. That proposal is now in the bill.

Mr. HUMPHREY. Yes; as one of the options.

Mr. ELLENDER. As one of the options; exactly. However, as I stated before the committee, I feel confident that the wheat farmers will be prone to vote for the so-called Mundt option, which would pay them to divert acres for 2 more years, as is the case in the emergency bill, and then to revert to the old law, which has given so much trouble.

In time, also, I hope to offer an amendment in respect to the feed grain provisions of the bill. As Senators know, and as I explained yesterday, the committee simply extended the emergency feed grain law for another year following this year; whereas, the proposal which I hope to present to the Senate will provide permanent feed grain legislation. That proposal I hope to present after the Senate has acted upon the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. HOLLAND. Mr. President, I was not advised that the distinguished chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER], has intended to call up the amendment which he has now had made the pending business, and therefore I am not prepared to speak on that amendment. In fact, I first saw it only a few minutes ago.

At this time I should like to speak in regard to title I of the bill, or a portion of that title, because I have very deep convictions in regard to part of that title. I believe it would be very unwise for Congress to enact into law the part of title I which relates to the Bankhead-Jones Farm Tenant Act. That part of Senate bill 3225 is to be found beginning in line 26, on page 4, and continues through line 22, on page 6.

Mr. President, one vice of this bill which I shall mention briefly, in passing, is that it is an omnibus bill which covers so many different features of the agricultural laws of the Nation that it is

very apparent that the bill employs a method which I had hoped had been sufficiently discredited last year, when another and even larger omnibus bill for agriculture was very badly treated by both the Senate Committee on Agriculture and Forestry and the corresponding committee of the other body. I had hoped that treatment had discouraged the introduction, especially so soon thereafter, of another omnibus bill covering the many different fields of agriculture which are within the purview of Senate bill 3225.

Mr. President, the objections to procedure through such an omnibus bill will occur to every Senator, I am sure. Such bills leave each Senator in the position of finding in them measures which he would like to support—measures which he thinks wise, measures which he thinks beneficent—but also finding included in such bills measures which he believes hopelessly unwise; and, therefore, every Senator is left under the dilemma of deciding whether the wise exceed the unwise, or vice versa; and such procedure does not enable each Senator to vote on the basis of the merits of each particular issue of great importance to agriculture in the Nation—as has been the custom heretofore, in most instances.

The introduction of such an omnibus bill is in the nature of offering a carrot on a stick to each Senator, in hopes that his avid hunger for something good in the carrot may persuade him to shut his eyes to other features of the bill which he believes unwise and which he believes should not be enacted into law.

Mr. President, there is no better illustration of the lack of wisdom of the omnibus approach than title I, to which I shall address my remarks.

Title I is called "Land-Use Adjustment"; and Senators who have studied the bill know that this title involves important proposed amendments to three major agricultural laws now on the statute books—some of them having been utilized for many years.

The first major amendment proposed by means of this title is offered in section 101 to the Soil Conservation and Domestic Allotment Act, an amended; and this part of the bill proposes further amendments to that act. Mr. President, in my remarks I shall not concern myself primarily with that particular proposal, because I have no special objection to it, as such.

The second proposal in this title is to amend important provisions of the Bankhead-Jones Act. I believe I should state for the RECORD that those provisions begin in line 26, on page 4 of the printed copy of the bill; and I shall return to a discussion of those particular features of the bill, which propose to amend the Bankhead-Jones Act, because I object very strongly to them.

The third, and still different, series of amendments proposed in title I is to be found in section 103 of that title, beginning in line 23, on page 6 of the bill; and those proposed amendments relate to the Watershed Protection and Flood Prevention Act, as amended.

Mr. President, there could not be a better illustration of the fact that this bill constitutes an omnibus or shotgun

approach to the entire field of agriculture than that to be found by a mere inspection of title I, which proposes important amendments to three very important agricultural laws under which our people have received valuable services for long periods of time, and by which a great deal of good has been done.

I now return to a brief discussion of the amendments proposed to the Bankhead-Jones Farm Tenant Act, because I believe these provisions of title I of the bill are particularly unwise, and because I believe strenuous objection to them should be voiced.

Without attempting to outline all the provisions of the Bankhead-Jones Act, let me state that Senators will remember that it has been a very helpful act. Originally, it was designed to help tenant farmers become freeholders and have farms of their own. Later, it was extended to such allied subjects as the rural housing problem of farmers who could not obtain credit from the ordinary sources, and to similar fields of activity.

I shall not here attempt to outline all the fields of activity covered by the Bankhead-Jones Act and related legislation. For instance, I have not even mentioned the field of disaster loans, in which submarginal credits are still being dealt with, because when houses are washed away or when other serious damage is done by hurricanes, storms, or floods, those who have suffered that damage are frequently unable to obtain credit from the normal sources. So without attempting to list all the fields presently covered by the Bankhead-Jones Act, I merely wish the RECORD to show at this point that that act has served very, very well in the field of extending help to those who need help, but who cannot obtain credit from the ordinary sources—whether those be commercial banks and institutions or institutions of the Farm Credit Administration; and those persons needed some special help if they were to remain independent.

By means of the amendments to the Bankhead-Jones Act which are included in title I of the bill, it is proposed to branch out into a completely different field—namely, the field of promoting the development of fishponds, dancehalls, restaurants, motels, bowling alleys, and similar activities which have to do with public recreation; and it is proposed to extend into this new field, not only in title I of the bill, but also in title IV, which makes the farmers themselves eligible to receive loans for those purposes. But the provision in title I is by far the more objectionable—making public units eligible to receive such loans for such recreational uses on a very large scale.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield to the Senator from Mississippi.

Mr. EASTLAND. Is it true that swimming pools could be built with Federal money?

Mr. HOLLAND. It is true that swimming pools could be built with Federal loans.

Mr. EASTLAND. Golf links?

Mr. HOLLAND. Yes; they would be included, I think, within the range of recreational activity.

Mr. EASTLAND. Dancehalls; motels?

Mr. HOLLAND. I have already stated I think both those activities would be included within the purview of the bill.

Mr. EASTLAND. The bill provides that they be open to the public. Is that correct?

Mr. HOLLAND. The Senator is correct; those are the words used in the bill.

Mr. EASTLAND. Is it not true that, under the interpretation which the Supreme Court places on the Constitution, these recreational facilities will be racially integrated facilities?

Mr. HOLLAND. The Senator from Florida so believes and would have no hesitancy in saying that is the case. He remembers that only yesterday, when the distinguished Senator from Vermont [Mr. AIKEN] was speaking on the bill, a similar question was addressed to him by the distinguished Senator from Mississippi and was answered by the distinguished ranking members of the minority on our committee by saying he had no doubt in the world that integration would result, and in his opinion, that is what should result. The Senator from Florida does not go that far.

Mr. EASTLAND. Is it not true that we would have the U.S. Government putting up money and promoting integrated swimming pools, dance halls, and other integrated facilities all over the country?

Mr. HOLLAND. The bill, if enacted in its present form as S. 3225, would so permit. There is no question about that fact at all.

May I say, since the Senator from Mississippi has brought up this point, that the Senator from Florida had, a few years ago, some experience in this very field which he would like to relate for the RECORD at this time. The Senate had been considering an FEPC bill, and the Senator from Florida had very stoutly, along with other Senators, opposed the enactment of that bill, and it was not enacted.

Immediately after adjournment the Senator from Florida went home to the little town in Florida where he was born and still lives. Within a day or two he had a call from the chamber of commerce which is organized by and serves the Negro community in the little hometown of the Senator from Florida, and the request was made that the Senator from Florida have a conference with a committee from the Negro chamber of commerce relative to the so-called civil rights field. Of course, I was glad to grant that request.

I am very frank to say I expected to receive some friendly castigation or complaint because I had opposed the FEPC bill, which had been our business immediately prior to adjournment. To the contrary, the 3 elderly Negro citizens who comprised the members of that committee, all very fine men, whom I have known all my life, when they came to me, approached the matter from a completely different point of view.

They said, in substance, "Judge"—they still call me judge down there, Mr. President—"we are very much disturbed

about one of the proposals in the civil rights program, and we want to talk it over with you." I said, "All right. I am very glad to discuss it with you. Which one is it?" They said—and here is where the surprise came to me—"It is the proposal that all public recreational and service facilities such as restaurants, hotels, pool rooms, and dance halls shall be open to people who wear the uniform of the armed services, regardless of their color or race; and, Judge, we are very much disturbed about that, because we think it will mean that our pool halls, bowling alleys, swimming pools, and other facilities of that kind will be invaded by some of the wearers of the uniform"—and I must say that they called them "poor white trash"—"and we are just as sure that when we are invaded by some of the uniformed men of the white color, what will follow will be trouble. For instance, they may have been drinking a few beers; they will try to cut in on some of our girls who are dancing with our young men; or they will have an altercation of one kind or another, and a fight will ensue, and nobody can tell, Judge, where that kind of fight will end up. And what we are afraid of is that the people who will finally have to bear the brunt of it will be the old, established colored people who live here and who have their homes here, and whose children's homes are here, and who have found this little town a good place for our own lives and a good neighborhood to live in. We think we will be the ones who will suffer because of the trouble. We do ask you—and they made it just as plain as they could that their heart was in the request—"that you oppose in every way that you can enactment of the civil rights legislation," which was a part of the recommendation of the Civil Rights Commission, which reported, as Senators will recall, to President Truman; and a bill was subsequently offered to enact that measure into law.

I merely want to make it clear by citing this illustration that citizens whose color is not white realize the difficulties of recreational mixing of the races. Anybody who has been keeping up with troubles that have developed in the interracial field in recent years knows how many of them have come up in connection with biracial use of swimming pools and of other recreational facilities which have been used by members of both races under the integration program which is under way.

Mr. President, I had not meant to go so fully into this matter, but I do appreciate the fact that the Senator from Mississippi brought it up.

Let us come back now to the consideration of the Bankhead-Jones Farm Tenant Act, which would now be thrust into a field highly controversial, highly welfare in its implications, quite different from the matter of serving submarginal farmers and people who have suffered from natural disaster; but, instead, which comes into the field of what the Secretary of Agriculture called, in his testimony before us, "rural renewal."

Mr. President, in his testimony before us, Secretary Freeman made a fine wit-

ness. I commend him and compliment him upon his frankness, his fairness, his willingness to answer all questions, and to make it very clear just what was the original bill which S. 3225 has replaced, and upon which he was testifying before our committee.

He made it completely clear what he meant by the term "rural renewal," which in his testimony he compared with urban renewal going on in the cities; and which he regarded as an important objective of this particular part of the bill that proposes to amend the Bankhead-Jones Farm Tenant Act. He was reminded such an amendment would carry the bill into a completely different field, and he admitted very freely, as did his counsel who was with him, and who also testified at that meeting and later admitted, that their intention was to extend the purview and coverage of this beneficial legislation, which has benefited so many people who needed help, into the highly controversial field of development of recreational facilities and the promotion of fish, game, and wildlife.

I am speaking now of wildlife from the game concept, Mr. President, and not from the other concept, which may disturb some of the people when they think about integrated recreational facilities.

I think it would be helpful to have the RECORD show what the Department of Agriculture hoped to get, instead of what is in the bill under consideration.

I commend the distinguished Senator from Louisiana, the chairman of the committee, and the other members of the committee. The chairman introduced the proposed legislation, I am sure, at the request of the Department of Agriculture. The chairman and other members of our committee after we had seen how far the proposed legislation would have gone, turned thumbs down on it. The bill was rewritten generally and generously. In this particular field the rewriting was particularly generous.

Mr. President, I wish to make it very clear that the Senate has a right to consider what are the permanent objectives toward which the Secretary of Agriculture and the Department of Agriculture are working. Where are they trying to lead us? What is the motive or objective in the proposed amendment to the Bankhead-Jones Farm Tenant Act? What is it they have in mind?

I think that can be best shown first by quoting from the original bill some of the applicable provisions, because I wish to have them preserved in the RECORD; and, second, by quoting from the text of the remarks of the Secretary of Agriculture and of his able counsel, Mr. Bagwell, some statements before the Senate committee in the public hearing upon the original proposed measure.

Mr. President, I have already said that the original bill names Title I by the name "Land-Use Adjustment." Without going into any features of it except those dealing with the proposed amendment to the Bankhead-Jones Farm Tenant Act, I wish to read into the RECORD the two proposed amendments to the Bankhead-Jones Farm Tenant

Act which were suggested and offered with administration blessing and testified to by the Secretary of Agriculture and by his able counsel before our committee.

Section 102 of the original bill, which was S. 2786, deals with the Bankhead-Jones Farm Tenant Act, and reads in part as follows:

SEC. 102. Section 31 and subsections (a), (b), (c) and (e) of section 32 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, are amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, providing public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare."

That terminates the proposed section 31. I think it might be appropriate at this time to read the portion of the hearings which deal directly with section 31. That will be found beginning on page 135 of the printed hearings of the committee. The chairman recognized the Senator from Florida to address some questions to the learned Secretary of Agriculture. I proceeded as follows:

Mr. Secretary, I have before me sections 31 and 32 of the Bankhead-Jones Act, which are proposed to be amended by the provisions of the pending Senate bill. I want to ask you some questions as to what seems to me are the departures in those two sections from the present law.

First, with reference to section 31, I find only three additions of new words to section 31.

The reference is to the existing section 31.

I ask that counsel, Mr. Bagwell, follow this carefully.

On line 12 of the copy of the Senate bill, the words "including the more economic use of land" are new. Second, on line 16, the words "providing public recreation" are new. Third, on line 17, the words "protecting fish and wildlife" are new.

Am I correct in my understanding that those are the only three changes proposed to be made in section 31 of the present law?

Mr. Bagwell answered, rather than the Secretary, at that time. He stated:

That is correct, sir.

I continue with the next question I asked:

Am I correct in my understanding that those changes would bring about three additions to the present law? First, instead of limiting the program to "the retirement of lands which are submarginal or not primarily suitable for cultivation" which are the applicable words in the present law, you would include the general use of the words "including the more economic use of lands."

Mr. BAGWELL. That is right. Any lands.

I then asked an additional question:

Any lands—whether they were submarginal or not, whether they were the best agricultural lands in the community or not.

Mr. BAGWELL. That is correct.

Senator HOLLAND. In the second, the second addition, is the addition of the words "providing public recreation."

Mr. BAGWELL. Yes, sir.

Senator HOLLAND. That would be a new function under the Bankhead-Jones Act not now provided.

Mr. BAGWELL. A new purpose, yes.

Senator HOLLAND. And that would apply both to submarginal lands and to any and all lands.

Mr. BAGWELL. Yes, sir.

Senator HOLLAND. And third, the words "protecting fish and wildlife" would be a description of part of what would be provided under the provision for providing public recreation; is that correct?

Mr. BAGWELL. Yes, sir.

Senator HOLLAND. Mr. Secretary, do you agree with counsel that those are the three proposed changes of section 31 of the present law?

Secretary FREEMAN. Yes, sir.

I then proceeded to ask questions about section 32.

Mr. President, I now resume the reading of the provision from the original bill, S. 2786, which proposed amendments to section 32 of the Bankhead-Jones Farm Tenant Act. I quote beginning on line 22, page 4, of the print of S. 2786:

SEC. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

(a) to acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, territory, or political subdivision, any lands, or rights or interests therein, which he deems necessary to carry out the purposes of this title. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title: *Provided*, That the land purchases hereunder shall be limited to those which the Secretary determines would not have a serious adverse effect on the economy of the county or community in which the land is located;

Mr. President, I wish to have the RECORD show that I am not concluding the reading of the proposed new section 32. There are other provisions in it which any Senator may examine if he wishes. I have read only those which directly relate to the proposed change in functions of the Government, as I understand them, which would have been made by the proposed amendment to section 32 of the Bankhead-Jones Farm Tenant Act.

Mr. President, I shall resume reading from the printed record of hearings, at page 135. Secretary of Agriculture Freeman and his counsel, Mr. Bagwell, were questioned freely, and answered freely, with reference to what was intended in section 32 as proposed to be modified by his bill:

Senator HOLLAND. Now, with reference to section 32, which I have before me, there are more places where changes occur, as I see it, but I think the principal place will be found in the two bottom lines on page 4, and the three top lines on page 5. They read as follows:

"(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, territory, or political subdivision, any lands, or rights or interests therein, which he deems necessary to carry out the purposes of this title."

That is not limited to submarginal lands. Mr. BAGWELL. No, sir; that is where you get authority for any lands.

Senator HOLLAND. That means that any lands, whether belonging to State, city, county, or individual may be acquired by the Secretary.

Mr. BAGWELL. That is right.

Senator HOLLAND. And am I also correct in my understanding that the general terms used there "to acquire by purchase, gift, or devise," when coupled with other provisions of the Bankhead-Jones Act, allow the use of condemnation by the Secretary for the purpose of such acquisition?

Mr. BAGWELL. They would permit the Secretary to invoke the general condemnation statute, as is true today for authorized acquisitions.

Senator MUNDT. Is that the meaning of the word "devise"?

Senator HOLLAND. No, devise is by will. But the point I am making, if I may say, is that these words, part of them are already in the present law, along with title III of the present law, and allow the use of condemnation in carrying out the purposes of the present law.

The big difference, however, appears after that place. The present law limits that acquisition in the following words: "Land not primarily suitable for cultivation." In other words, any acquisition that could be accomplished under the present law would be land not primarily suitable for cultivation; whereas under the proposed law, the words are "any lands or rights or interests therein which he deems necessary to carry out the purposes of this title."

Am I correct in my understanding that this section 32 would permit in a complete way the carrying out of the purposes outlined in section 31?

Mr. BAGWELL. That is correct.

Mr. President, I shall not impose upon Senators or encumber the Record by quoting more fully from the record, except as to one point. I think it is important to understand that the able Secretary, in going into this subject, had no understanding at all to the effect that he had the right of condemnation. That point came out freshly in the hearings following questions asked by the distinguished junior Senator from Georgia [Mr. TALMADGE].

As shown on page 123 of the record, the Secretary had just reached the discussion of the Bankhead-Jones Farm Tenant Act changes. The Senator from Georgia [Mr. TALMADGE] interrupted, with the approval of the chairman:

Senator TALMADGE. May I interrupt at that point and ask a few clarifying questions. Is it proposed to give the Secretary the right of eminent domain in this bill—could he condemn certain farms as he sees fit?

Secretary FREEMAN. No, sir; I do not think that is authorized. I am corrected by general counsel.

Senator TALMADGE. In other words, he could condemn farms and acquire title thereto. Do you have any idea how much land may be acquired under such authority?

Secretary FREEMAN. I think that it would be very, very little. What we are oriented toward in this primarily is an effort at some pilot projects directed toward rural renewal possibilities.

I have been intrigued, Senator, with observing what has been done in some of the big cities in urban renewal, which is done through local governmental units with Federal assistance—slum clearance. It has appeared to me that it would be highly desirable if the same kind of purchase redevelopment and resale could be done in rural

areas by way of renewal, as well as urban. We would like to experiment with this on a pilot basis.

On the following page, page 124, the question arose as to what purpose may be served under the loans to be made:

The CHAIRMAN. Well, Mr. Secretary, under that title, is there any limitation as to the amount of land that could be designated by one landowner? In other words, could he develop all he had, or is there any limitation as to amount that could be loaned to him for carrying out the purposes of title I?

Secretary FREEMAN. The limitation is directed to the provision that land should not be acquired by the Government that would have an adverse effect on the community in question. To read specific language—

The CHAIRMAN. I understand that. But I am talking about as to what you can do for a particular farmer.

Secretary FREEMAN. No, there is no set limitation as to what could be done for a particular farmer.

The CHAIRMAN. Now, would it be possible for the Government to loan to a farmer money so that he can build, let us say, swimming pools, golf courses, artificial lakes, summer resorts, hunting lodges, and things of that kind?

Secretary FREEMAN. It would be possible as a part of an overall program that a farmer might develop just as he goes in for an FHA loan now. In other words, it would be a proposal that would be consistent with the income objectives and the economic operation of that farm, and if there was assurance of proper management and repayment of the loan—and of course that the funds were not available from private sources.

The Senator from North Dakota [Mr. YOUNG], whom I am glad to see present in the Chamber, then made a very great contribution to the record in this case by a question:

Senator YOUNG of North Dakota. Mr. Chairman, may I ask this question: How much land do you contemplate taking out of production?

Secretary FREEMAN. The goal that we had set, that we have estimated, Senator, would be that by the year 1980, on a 20-year basis, it is our best estimate that we will need 50 million acres less in cropland than we have today. This would be a long-term program which contemplated initially, as the President's message pointed out, that there would be some pilot projects on a very limited basis, to see just how this would work, and then to expand it proportionately with the goal of directing to alternative uses, by 1980, approximately 50 million acres.

Senator YOUNG of North Dakota. Would this 50 million acres be in addition to what we already have out of production under the soil bank and under the present retirement programs, under the feed grain and wheat programs? Would this be in addition?

Secretary FREEMAN. It would be in addition to the conservation reserve. It would not be in addition to the land which has been directed to soil-conserving purposes under the emergency programs.

Senator YOUNG of North Dakota. That would be in the neighborhood of about 80 million acres, then.

Secretary FREEMAN. If you included the conservation reserve, it would be about 80 million acres, yes, sir.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Am I correct in my understanding that there are approximately 28 million acres of land in the conservation reserves?

Mr. HOLLAND. I think that figure is substantially correct. I believe that the Senator from North Dakota [Mr. YOUNG] referred to it as substantially 30 million acres. The Senator is present in the Chamber. I shall be glad to yield to him, if I may, so that he may answer the question.

Mr. YOUNG of North Dakota. The number of acres in the conservation reserve last year was approximately 30 million. There is land coming out of soil bank now and more will come out unless the law is extended.

Mr. LAUSCHE. It is envisioned to get 50 million acres into the new program.

Mr. HOLLAND. In addition to the 30 million. What the Secretary was talking about was the overall elimination from production. Within that figure is included whatever was his direct objective under the act. I would not want the RECORD to make it appear that he said that the 50 million acres was to be handled solely under the Bankhead-Jones Tenant Act, which is only one of the measures under which the proposed law would function.

Mr. ELLENDER. I am sure the Senator will concede that the power of the Secretary to purchase this land has been entirely removed; it has been taken out.

Mr. HOLLAND. I am glad to concede it. Only a few minutes ago, when the Senator from Louisiana was called out of the Chamber, I stated for the record that he was one of those who was active insisting that the power of condemnation be stricken out of the bill. I also stated that the bill now before us, S. 3225, represents a rather complete rewriting of the original bill, which was S. 2786. I also stated that perhaps the most generous rewriting of all was done with reference to title I. I am ready to be corrected on those statements if they are not correct.

I stated it was my belief that probably the most generous rewriting of all by the committee staff, under the direction of the chairman, was with reference to title I.

However, I am going to show what I think are the very bad things still in title I. I have already called attention to the fact that we are deliberately beginning a program, if we pass the bill, which envisions this immense empire of recreational facilities to be developed and operated by the Secretary of Agriculture, as was shown in the original bill. While the rewriting of the bill has clipped spurs very greatly, nevertheless, if we proceed here in the way it is proposed that we proceed, we are letting the camel get its nose under the tent flap, with the full knowledge of just what the Department of Agriculture wants to do and what it envisions it can do in this field if it is given the authority for which it originally asked, a part of which would be left to the Department under the pending bill.

Mr. ELLENDER. Mr. President, will the Senator yield so that I may make a little correction?

Mr. HOLLAND. I am glad to yield.

Mr. ELLENDER. The Senator does not mean, of course, that the Department of Agriculture would operate it.

In the bill it is provided that the local interests would do it, not the Department of Agriculture. The Department is out of it altogether.

Mr. HOLLAND. The Senator from Louisiana is correct in so far as the operation goes, under the rewritten bill. I have already stated that the rewriting of title I was a very generous rewriting. I am stating, and I stand on this statement, that we know what the objectives of the Secretary of Agriculture are, because they were stated in the original bill. They were stated by his testimony and the testimony of the general counsel for the Department of Agriculture, from which statements I have read as they appear in the record. If we begin this greatly modified, greatly abbreviated part of the original program, we are doing so with firm knowledge of the fact that we are granting only a first step on the stairway which leads a great deal further up than our committee has been willing to recommend we go. We are doing it with knowledge of the fact that when we once give one of these administrative agencies one part of what they are asking for, knowing what the general objective is, we are embarking on a very dangerous course of action.

I say that because they will have a chance to develop and recommend and to show a beautiful showcase of something that they believe amply justifies what they have attempted. We know so clearly what has happened in the past.

I call the chairman's attention to the Small Watershed Act, for example. We were careful in the original hearings on that act; and in the original discussion in our full committee and in the passage of the original act, to restrict quite greatly the size of the program and the kind of contributions to the program which would be required from local people before small watershed proposals could be developed.

That original objective has been departed from so greatly in both respects, both as to the size of the projects and the amount of the contribution now required, that I believe it is a fair illustration of how we drift when once we start into a program and turn it over to administration by a bureau which wants to go a great deal further.

Mr. LAUSCHE. I do not know whether my questions will be germane to the subject that the Senator from Florida is discussing, but there are some questions that I should like to have answered.

Mr. HOLLAND. I yield.

Mr. LAUSCHE. How many acres were taken out of production under the corn and feed grain program?

Mr. HOLLAND. My answers would be only approximate, because I am not prepared to give exact figures. I ask unanimous consent that I may yield to the able chairman of the committee, who has the figures in hand, so that he may answer the question of the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Does the Senator refer to corn and other feed grains, as well as wheat; both together?

Mr. LAUSCHE. Yes.

Mr. ELLENDER. The figures are in the report. For corn, the final diverted acres for the 1961 feed grain program were 19,141,067 acres.

Mr. LAUSCHE. What was the average cost per acre?

Mr. ELLENDER. Thirty-one dollars, plus.

Mr. LAUSCHE. Getting to the conservation reserve program, in which there are 30 million acres, what was the average cost per acre of those 30 million acres?

Mr. ELLENDER. That was more in the nature of rental.

Mr. LAUSCHE. That is right; rental.

Mr. ELLENDER. I believe the rental was about \$11-plus.

Mr. LAUSCHE. That is, on 30 million the cost was \$11 an acre to take them out.

Mr. ELLENDER. Yes.

Mr. LAUSCHE. On the 19 million acres the cost was what?

Mr. ELLENDER. \$31 an acre. That is, on diverted acres. That is to repay the farmer for the profits he would have made had he planted the corn.

Mr. LAUSCHE. What is the difference between the two?

Mr. ELLENDER. With respect to the diverted acres, the farmer had no right to plant any commodity that was in surplus. However, it was specifically stated in the act that he could plant certain crops. They were safflower, guar, sunflower and other commodities that were not in surplus but that were needed. The diverted acres had to remain idle otherwise.

Mr. LAUSCHE. Under the old conservation reserve program, what was the situation?

Mr. ELLENDER. Grasses or other vegetative cover had to be planted, or trees had to be planted, or the land had to be put to other conserving use, depending on the contract entered into between the farmer and the Government.

Mr. LAUSCHE. And not used at all for production?

Mr. ELLENDER. That is correct.

Mr. LAUSCHE. Is it true that under the new program greater latitude is given to the farmer than was given under the conservation reserve program?

Mr. ELLENDER. I would not say that. It is not greatly different. He could not plant any kind of crops that were in surplus. He could not make hay on it, or anything else which might impair the program. He could not plant grain of any kind. He could not graze.

Mr. LAUSCHE. He could not do that under the conservation reserve program, either.

Mr. ELLENDER. That is correct. Just grass and other conserving uses. Of course, as far as planting crops is concerned, he could not do that either.

Mr. LAUSCHE. Why is there that difference in cost, between \$31 per acre and \$11 an acre?

Mr. ELLENDER. The \$31 rate was for diverting acres from feed grains, so as to cut the surpluses in the production of corn and other feed grains. Of course, in order to induce farmers to take that

step it was necessary to pay more than under the conservation reserve program, which was more or less on a rental basis and which took out of cultivation lands that were not as productive as the land, which was taken out under the corn and other feed grain program, and which did not require the farmer to reduce his feed grain acreage.

Mr. LAUSCHE. Initially the very sparsely cultivated land was put in these programs. As that sparsely cultivated land ran out—

Mr. ELLENDER. That is what happened in the conservation program. That is what happened. It was intended that that should happen. But in the programs to divert land from the production of wheat, corn, and other feed grains, some of the best farmland is being diverted. In order to induce the farmer to divert his land from production, the program must be made attractive.

I may say in passing that I have been opposed to an extension of the program for another year, particularly as it effects wheat and as it will affect corn and other feed grains. I have pending an amendment which will make permanent the proposal which was originally in the bill and will do away with the expensive special emergency programs.

(At this point Mrs. NEUBERGER took the chair.)

Mr. LAUSCHE. What was the total cost to the Government of taking the 18 million acres out of production?

Mr. ELLENDER. About \$782 million, plus \$43 million for administration.

Mr. LAUSCHE. So the farmers received about \$800 million?

Mr. ELLENDER. Just under \$800 million.

Mr. LAUSCHE. How much was farm income increased this year over last year?

Mr. ELLENDER. About \$1,500 million gross.

Mr. LAUSCHE. Of the \$1,500 million, practically \$800 million of the taxpayers' money was put into the program?

Mr. ELLENDER. The Senator is correct; but I point out that 421 million fewer bushels of corn and sorghums were produced, and barley, oats, and rye production decreased by 180 million bushels; so more storage would have been required except for the program. Except for the program, it might have been necessary to store as many as 800 million or 900 million bushels.

Mr. LAUSCHE. How much was the soybean production increased?

Mr. ELLENDER. 137 million bushels.

Mr. LAUSCHE. Was there an increase in the production of some other farm products?

Mr. ELLENDER. No, not that I know of. At least not in any of the feed grains. Of course, the Farm Bureau, as was stated by the Senator from Florida yesterday, added soybeans to the corn, which is unrelated to what the committee originally tried to do. When I say "unrelated," it is because the Secretary of Agriculture could accomplish what he desired without any further legislation in regard to soybeans.

Mr. LAUSCHE. I thank the Senator from Florida.

Mr. HOLLAND. I thank the Senator from Ohio. So far as the Senator from Florida is concerned, he merely wished to point out by quoting rather liberally from the original act and by quoting from the testimony of the Secretary of Agriculture, and his able General Counsel, exactly what the objective is.

We shall move only partially to that objective by means of the bill reported by the committee, but by no means unanimously reported from the committee. I think the Senate is entitled to know that this is a first step toward a grandiose scheme. I do not mean that that is intended by the chairman and the majority of the committee who support the bill, but that this grandiose scheme is in part broken down, and that this is the first step, which I am sure the able chairman of the committee hopes will be the last step we take. Perhaps he hopes we will not take enough steps in the first stage to approach the grandiose objective which was unfolded to the committee in the original bill and in the testimony on it.

Let us go back to the committee bill, S. 3225, again with the statement that it by no means represents the attitude of the full committee. My own feeling is that if the amendment offered by the distinguished chairman of the committee with reference to the feed grain program and the wheat program were adopted, it would represent the views of a minority of the committee. As reported, and containing the provisions relating to feed grains and wheat, the bill represents a substantial majority feeling of the committee. As I recall, only four members of the committee opposed it; but a majority of the committee had already stricken from the bill substantial provisions which are sought to be reincorporated by the amendment now offered by the chairman of the committee relative to feed grains and relative to wheat.

Mr. ELLENDER. I may say to the distinguished Senator from Florida, just to keep the RECORD straight, that I have criticized emergency programs in the discussion I had with the distinguished Senator from Ohio. The first amendment which the Senate will be asked to pass upon would eliminate the extension of the emergency programs now in the bill. As Senators know, these have been very costly.

Included in the wheat provisions of the bill is an optional plan which would include the so-called emergency program, which costs about \$350 million a year. This would be an extension for 2 more years; then there would be a reversion to the same old law that has given so much trouble. I am trying to have the Senate adopt a permanent wheat program, a program which will do away with the excessive production of wheat which now exists.

If the Senator from Florida will read the RECORD, he will learn from the statement I made yesterday that in 1938 an amendment was placed in the law which prevented the Secretary of Agriculture from setting the national allotment under 55 million acres regardless of stocks. I am trying to be more realistic and to

have that acreage reduced to conform to present needs. That is the purpose of the amendment which is pending before the Senate.

Mr. LAUSCHE. Was the statement just made by the Senator from Louisiana in connection with the discussion in the RECORD that the bushelage production per acre was about 14 bushels—

Mr. ELLENDER. Thirteen point three bushels per acre in 1938.

Mr. LAUSCHE. And it is now what amount?

Mr. ELLENDER. It is now 26.2 bushels, and the minimum number of acres has not been changed. I am trying to reduce the minimum. I am proposing that, instead of using acreage, the Secretary of Agriculture may fix a minimum quota of 1 billion bushels, which is about what is needed for domestic uses and export sales.

Mr. CARLSON. Madam President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CARLSON. Madam President, in view of the chairman's statement concerning a permanent wheat program, I desire to make a short statement. I think it is a matter of record and is well known by all that for many years I have been trying to have adopted a domestic parity price program which would be a permanent program. I still hold to that position. I sincerely hope that a program of that kind can be included in the bill.

Coming from a State which produces one-fourth of the wheat grown in the Nation, I question seriously and with sincerity the desirability of a permanent wheat program such as that proposed by the Senator from Louisiana. Wheat is now being harvested in the Middle West. In 10 days, Kansas wheat will be on the market. Optimistic as the chairman might be, he does not expect this bill to be passed within another 2, 3, or 4 weeks.

In my opinion, a new permanent program will require much education. I do not say there should be a 2-year program or a choice between two programs; but I sincerely hope the farmers of the Nation may be given some time to consider the proposal. If the present program is continued for another year, it will be possible to sell the new program to the farmers of the Nation. They simply cannot learn the complexities of the bill in a short time. The new proposal is too complicated to be put into effect without some time for study. That is one reason.

The second reason is that we in the Middle West have had some outstanding years of wheat production. In the 4 years 1958, 1959, 1960, and 1961 Kansas grew more than 1 billion bushels of wheat, or an average of 250 million bushels a year. This year Kansas is suffering from a drought. I sincerely hope it will not be a serious condition, but present indications are that the production of wheat will be reduced probably to less than 200 million bushels. I think it is well to remember that sometimes we grow short crops; and when Kansas grows short crops of wheat, so does Oklahoma, so does Nebraska, and so even does North Dakota.

In 1917, Kansas grew 42,785,000 bushels of wheat. In 1918, we grew 97 million bushels of wheat; in 1923, 83 million bushels; in 1925, 80 million bushels; in 1933, 66 million bushels; in 1934, 84 million bushels; and in 1935, 64 million bushels.

I sincerely hope that does not happen again; but if it does, the 1,300 million bushels of wheat we are talking about now will disappear very rapidly.

Today, Canada is practically out of the world market for wheat; and Argentina is out of it.

Today, appeals have been made to Senators, in the interest of providing wheat to starving Chinese. I am very much in favor of providing wheat for that purpose.

But, Madam President, I conceive grave danger to our food supply if we do not provide some kind of adjustment; and I sincerely hope the farmers of the Nation will be given an opportunity, as provided by the committee, to have a choice as between these two programs.

But, if not, I hope they will be given 1 year during which to decide whether to come under this program. In fact, the Senator from Florida will remember that in 1954 we passed, by a vote of 54 to 32, a parity bill which we had introduced in the Senate. So I am not unfamiliar with this field.

I should like to have a parity program established; but it would be disastrous to put the farmers under a program with which they cannot become familiar in a month or two. They will soon start planting their wheat seed beds; and, first, they should know about this program.

So I wish to point out, first of all, the grave danger to the food basket of the country; and, second, I wish to state that if we are to have a start made on a new program, the farmers should be given an opportunity to learn of its ramifications, and should be given time to become educated in regard to it.

I favor a new program.

I thank the distinguished Senator from Florida for yielding to me.

Mr. HOLLAND. I thank the Senator from Kansas. He has made a great contribution to the discussion of this matter, not only in connection with the wheat question, which he has discussed with such wide knowledge and clear grasp, but also in connection with the point I made at the beginning of my remarks—namely, that such an omnibus approach to this matter is dangerous and is not fair to those concerned.

Madam President, S. 3225 contains several different approaches. One is in regard to wheat, and now it is proposed to be amended by means of the amendment of the Senator from Louisiana. The wheat provisions are completely different from the feed-grains provisions and so on, through the bill. This procedure is nothing but the use of the carrot on the stick technique—and I emphasize that I am not referring at all to the amendment of the Senator from Louisiana—in an effort to get Senators to support provisions which they know are not acceptable to their constituents, or which they believe will not operate to the good of the Government.

Madam President, I should like to refer now, briefly, to Senate bill 3225, as reported by the committee. I believe it very clear that, except in two particulars, the bill provides merely a different approach to the title I provision of the original bill, which I have already discussed at some length.

There are two particulars in which title I of the committee bill, S. 3225, puts to rest some very bad features of the original bill. One of them is in regard to the condemnation acquisition of property. That was provided by the original bill, but is done away with in this rewrite.

The second is the operation of the recreational units by the Secretary of Agriculture, according to his sole discretion. That, too, is done away with by the new proposal.

The third deals with the amounts which can be used in the program. A little later, I shall discuss this in more detail.

If Senators will turn to page 4, line 26, of the committee bill, S. 3225, they will find, beginning there with section 102, provisions which modify the same sections of the existing Bankhead-Jones Farm Tenant Act as those which were intended to be modified by the original bill—namely, sections 31 and 32. In other words, there is no abandonment of the principle that the Bankhead-Jones Act is to be amended so as to cover the development of recreational facilities along a very generous line, although not to be obtained by condemnation—at least, not by the Federal Government—and not to be operated under the sole discretion of the Secretary of Agriculture. Those two changes are made, and they are very useful changes. I have already commended the distinguished chairman of the committee for making them, and I do so again. But once more I call attention to the fact that that proposed departure in objective from the very salutary objectives heretofore served by the Bankhead-Jones Farm Tenant Act still remains in the rewritten sections 31 and 32.

The rewritten section 31 begins in line 3, at the top of page 5; and the rewritten section 32 begins in line 17, on the same page.

Madam President, I wish to state—and here I pause, in order to provide an opportunity for the distinguished chairman of the committee to correct me if I am at all in error in making this statement—that the original objective of changing land use, and of changing it particularly from the standpoint of the development of recreational activities, which are just as broadly defined in this version of the measure as in the original measure—is not abandoned, but it is continued under the present modified sections 31 and 32 in the committee's version of the bill.

If Senators wish to check on that matter, they will find that in lines 5 and 6, on page 5, in addition to providing for "the retirement of lands which are submarginal or not primarily suitable for cultivation," as provided in existing law, there are also included the words "in-

cluding the more economic use of lands." And Senators will find, later on, the words "to correct maladjustments in land use"; those words are to be found in lines 7 and 8.

Then the provision for public recreation is amended—and I commend the Senator from Louisiana [Mr. ELLENDER] for the amendment—so as to confine the Secretary of Agriculture to "enabling local public authorities to provide public recreation"—whereas the original bill endowed the Secretary of Agriculture with that power, to be exercised on his own initiative; and the words "protecting fish and wildlife," which were in the original measure, still are retained.

If Senators then will turn to section 32(e), as proposed to be modified by means of the committee version of the bill—it begins on page 5, in line 17—they will find that the section is rewritten so that the objective shall be—"to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

Without reading the rest of the proposed modified section 32, Madam President, I wish to call attention now to the fact that the Secretary of Agriculture will still have the power, on his own initiative—and now I refer to lines 24 and 25 and the following—to initiate the surveying of projects and the working up of projects, so that, in turn, the local public agencies can be interested in them.

I quote the words that have that meaning—"to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

In other words, there is taken away by this rewritten bill the power of the Secretary to condemn and to operate, but there is still left in the Secretary, by the use of Federal funds, the power to make surveys at any place where there are appropriate sites for what he calls rural renewal, and for development of an economy that is different from that which prevailed in the community, by adapting lands to recreational use or the propagation of fish, wildlife, and the like.

I do not think we have to guess what the activities of the Department of Agriculture will be under that sort of arrangement. The Department will be developing plans and programs and propagandizing them, because it will be specifically authorized not only to make the surveys, but, once made, to disseminate information concerning them. I can see the agents and advocates of "rural renewal," as the Secretary calls it, developing program in various rural communities of this Nation, and then endeavoring to sell the local public authorities upon the wisdom of undertaking those activities.

That is a power we should not give; and, if we give it, we should do so knowing that it is a long step toward the fulfillment of the objective so clearly announced by the Secretary and by the original bill. So far as the Senator from Florida is concerned, he will never vote for this bill with that provision remaining in it.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. To which specific part does the Senator from Florida object? To section 31 or section 32, or both?

Mr. HOLLAND. I object to both, I may say to the able Senator, but the point I was making at that time was that I particularly object to leaving to the Secretary the power of initiative to send his surveyors and agents out and to conduct surveys; if I may read the language of the bill as reported by the committee "to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

All this is to be at Federal expense.

Incidentally, such amounts might be appropriated as may be necessary to carry out the purposes and objectives of these sections. There is no limit on the amount.

Mr. LAUSCHE. Will the Senator yield further?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. After the Secretary conducts these "surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title," and after he disseminates the information concerning these activities, is there then vested in the Secretary of Agriculture the power to lend money to carry out what the Department thinks ought to be done by way of making this land available?

Mr. HOLLAND. The answer is "Yes." Of course, the loan would be made by the Farmers Home Administration, which is one of the agencies in the Department of Agriculture, and be made subject to a condition, and I think this should appear in the Record, and I will read the next sentence:

Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency.

In other words, after the plans have been adopted and after the propaganda has been devised, the propaganda is submitted then to the State agency, or, if there is not such an agency, to the Governor, and if it is not turned down within 45 days, the Secretary is released to make the loans allowed for under the act.

I was just getting down to the amounts of those loans. That comes in the next sentence:

No appropriation shall be made for any single loan under this subsection in excess

of \$250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

In other words, the Secretary can lend up to \$250,000 in the event the loans were not disapproved within 45 days by the approved State agency, or by the Governor. In any event, he could lend up to \$250,000 to the local public unit or State for the purpose of going forward with the development. After the fulfillment of those conditions, the loan is apparently unlimited. The amount of the loan would be unlimited except by the amount of the appropriations which would have been made available to the Secretary of Agriculture.

Here is another point in the bill which I want every Senator to understand—that while loans up to \$250,000 can be made by the Secretary in his own judgment and without submission to anybody, unlimited amounts of loans, limited only by the appropriations and amounts available, can be made for one of these objectives. We are talking about public units and States, and not of private individuals, farmers or land owners.

I understand the provision means just that, and I am so advised by able counsel for the Committee on Agriculture and Forestry.

Mr. ELLENDER. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. ELLENDER. The Senator has been discussing the authority given to the Secretary to make these plans. That is not new authority. The Secretary now has the right to cooperate in developing plans, and to conduct surveys and investigations. If the Senator will look at page 60 of the report, at the bottom of the page, he will note, under (e), the words "to cooperate (that is, the Secretary) with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation."

That is already the law. What we have added here is included on page 59 of the report, under section 31, appearing in italics. We have added, on the second and third lines, "the more economic use of lands and," and in the sixth line, "enabling local public authorities to provide public recreation."

It will be noted the Federal Government has the right to provide any kind of plans in order to find a proper program for conservation and utilization with respect to submarginal lands. That is already included in the law. I wanted to call that to the attention of the Senator.

Mr. HOLLAND. As the Senator has just pointed out, the change made in section 31 increases the authority of the Secretary under section 32 to make plans. That is my point. I am advised by our counsel for the committee that the provision which the Senator has just read from the existing provision of section 32 is now limited by the existing language of section 31 to, and I quote section 31, "lands which are submarginal or not primarily suitable for cultivation"; whereas under rewritten section

31 no such limitation exists. That is one of the reasons for my objection.

Mr. ELLENDER. But the authority for plans and programs is already provided for in the law, again I point out. The right to form them is already provided by law. That is in section 32(e). We would not change that. That would still be in the law. But in the future they could be made with respect to lands which are not submarginal.

Mr. HOLLAND. Yes, planning authority now extends only to submarginal lands and lands not suitable for conservation, whereas under the law proposed it would not be so limited. A local agency which wished to have a program and required money for the acquisition of lands—whether for the acquisition of the best nursery in the community at a desirable spot, or a small industry, or residences of people who have lived there for many years—could make plans which could encompass the inclusion of such territories. Then the Secretary of Agriculture would be permitted to lend up to \$250,000, without submitting the proposal to the committees of the Congress; and there would be no limitation upon the authority other than the amount of appropriations if the committees of the Congress approved.

Mr. ELLENDER. But the Senator will concede that the loans are to be made to State or local agencies.

Mr. HOLLAND. Of course.

Mr. ELLENDER. Under the conditions the Senator has related.

Mr. HOLLAND. That is correct.

Mr. ELLENDER. And they are to be secured, and the going rate of interest is to be paid to the Federal Government.

Mr. HOLLAND. The Senator is correct. The difference between that and the present law is that the present law deals—and very rightly so—with a limitation to submarginal lands. I am glad that the Bankhead-Jones Farm Tenant Act has been limited to dealing with submarginal lands and people who cannot go to the regular banks for their credit, who cannot go to the Farm Credit Administration to get loans. Such people frequently own the submarginal lands. The present law is confined to the less attractive credits, to the less attractive lands, and the less stable people.

It is proposed by the bill to completely convert the coverage of the Bankhead-Jones Farm Tenant Act to go into the new field in such a way as, I think, to give promise before very long of going as far as the Secretary suggested and recommended and testified to in the hearing before our committee, and as included in the original bill.

I hasten to add again that the able Senator from Louisiana, with a majority of the committee, has insisted upon very generously rewriting the original bill so as to make the bill now before us less dangerous than the original form.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. To what purpose may the money be put? Would it be used

for the development of facilities, or could the money be used for the acquisition of land?

Mr. HOLLAND. It could be used for development, or for the acquisition of lands indirectly. Let us suppose that the unit had enough money to acquire all the other lands it needed except for some most valuable portion. The bill as presented to us would permit the lending of an unlimited amount, which might be approved by the committees, out of money already appropriated, for the purpose of perfecting the program and going ahead with it.

What would be withheld is the right of Federal condemnation. There would be no withholding of the right of local condemnation through the local agencies. Condemnation might have to be resorted to. There is to be no attempt to deal with that, and there should not be.

Mr. LAUSCHE. Then, if the Senator from Florida is correct, the money might be used for the development of facilities or for the acquisition of land, either from private owners or from the land owned by the Federal Government now.

Mr. HOLLAND. Yes; or from land owned by the State, or by the city, or by the community. The Secretary of Agriculture clearly testified, as did his counsel, that the wording of the original bill—that part of the wording is in the rewritten bill—would permit the acquisition of lands from various local units of government.

Mr. LAUSCHE. I thank the Senator very much.

Mr. HOLLAND. I thank the Senator from Ohio for his questions.

Madam President, I have adverted to two of the very dangerous things which are proposed to be left in the section 32, after calling attention to the fact that section 31 as rewritten in the committee bill would retain all the objectionable features of the original section 31 except for operation by the Federal Government.

With reference to loans which can be made to the individual farmers, I understand that subject is covered by a different section of the bill, appearing at pages 66 and 67, in General Provisions. The reason for that is that the loans to ordinary farmers under the Bankhead-Jones Farm Tenant Act have been transferred under the bill which was enacted only last year, which was a very great liberalization of the Farmers Home Administration authorities, called the Consolidated Farmers Home Administration Act of 1961. I understand from counsel for the committee that \$60,000 is the maximum amount of any loan which can be made to an individual under that provision. Direct loans can be made to associations under that provision, with a limit of \$500,000. The limit on the loans to an association which may be insured is \$1 million.

We are talking about big money. We are talking about grandiose plans. We are talking about setting on the road toward an objective which was fully disclosed and frankly disclosed to our committee. It is a program which, if

given this beginning, which is a sizable one, will, I think, rise to plague the country and to plague everyone who votes for it.

Madam President, I have not sought to deal in these brief remarks with the other provisions in the bill having to do with feed grains, having to do with wheat, having to do with the surplus disposal program, having to do with other aspects of the agricultural laws of our Nation.

I think the bill is the most perfect example since last year of the vice of attempting to deal, through an omnibus bill, with unrelated and numerous different provisions of agricultural law, not all applicable to the same persons or to the same groups, but applicable in their entire coverage to almost all the citizens of this country. I do not think that is a reasonable way to deal with the law.

So far as the Senator from Florida is concerned, he has dealt in his discussion only with the proposed enlargement and the proposed change in direction of the Bankhead-Jones Farm Tenant Act and its successor in certain fields, the Consolidated Farmers Home Administration Act of 1961.

I think there are enough troublesome points arising in connection with these items alone in the bill to justify every Senator's rejecting the bill and insisting that the measures be approved in a regular way, through bills which deal separately with great agencies which are spending or investing literally hundreds of millions of dollars of the public money a year.

Madam President, the Senate Committee on Agriculture and Forestry has been very generous in its treatment of the Farmers Home Administration. The Senator from Florida happens to be the chairman of the subcommittee which deals with that subject. Another member of the subcommittee on the floor at this time is the distinguished Senator from Kentucky [Mr. COOPER]. Our subcommittee on two occasions in the recent past studied the subject and reported very real liberalizations and enlargements of the coverage of the Farmers Home Administration Act. I am glad we did. I think those changes made it more serviceable.

I have no doubt that other changes will be expected, as our country moves along, and they may be made in the regular way. If a bill is offered and studied by the subcommittee and by the full committee, I think the administrators will find that they will have the sympathy of those who will pass upon the measures before they reach the floor of the Senate or of the other body.

Madam President, I object strenuously to a shotgun approach by which we would try to cure ills in a dozen different fields of agriculture by amendments stuck together in one bill. It is not possible to reach sound results with that kind of approach.

I yield the floor.

Mr. MAGNUSON. Madam President, I wish to direct a question to the distinguished chairman of the Senate Committee on Agriculture and Forestry. I understand that he has proposed, will

propose, or has filed, three amendments to the bill. Is that statement correct?

Mr. ELLENDER. I have offered two amendments, one which would affect wheat, and the other corn and other feed grains.

Mr. MAGNUSON. One would reinstate the choices in the wheat referendum.

Mr. ELLENDER. The Senator is correct.

Mr. MAGNUSON. Under the proposed program, if farmers in a referendum should oppose the certificate plan, price supports would then be not in excess of 50 percent of parity.

Mr. ELLENDER. The Senator refers to the amendment now pending, which would affect the wheat program.

Mr. MAGNUSON. Yes.

Mr. ELLENDER. The amendment would remove from the bill the so-called emergency program, and would write into the law permanent wheat legislation.

Mr. MAGNUSON. The second amendment would replace the temporary extension of the feed grain program with a permanent feed grain program.

Mr. ELLENDER. The Senator is correct. That proposal will be presented later. It is now lying on the table. I hope to present it after the Senate completes consideration of the amendment relating to wheat.

Mr. MAGNUSON. Will the Senator from Louisiana propose an amendment which would reinstate the provision for growing wheat on feed grain acres and feed grain on wheat acres?

Mr. ELLENDER. Yes. Instead of dealing with the question separately, it is already covered in my feed grain amendment.

Mr. MAGNUSON. A great number of people in the Pacific Northwest who are active in farm organizations such as the Grange and the Farmers' Union have consulted my colleague [Mr. JACKSON] and me. He joins me in this statement because he could not be present at this time. We have been urged to support the so-called Ellender amendments. After discussion with various interested groups, we intend to do so.

I ask unanimous consent to have printed at this point in the RECORD a letter addressed to the Secretary of Agriculture and signed by 26 Senators from wheat-growing States, which in the main sustains the approach of the Senator from Louisiana in the wheat program field. The letter follows out a suggestion made by us in a letter to the Secretary of Agriculture several weeks ago.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The necessity to include temporary stopgap wheat legislation in the Agricultural Act of 1961, clearly demonstrates the need for early consideration by Congress of a permanent wheat program for the 1963, and succeeding crop years.

We recognize the problems which were faced by the Congress at the start of this session, which justified the necessity for such a temporary program.

It is our firm conviction, however, that it is of paramount importance that recommendations for a workable, permanent wheat program be submitted to Congress by January 1, 1962, in order that the Congress will have time to develop such a program prior to the time wheat producers start making their plans for fall seeding.

It is our understanding that by April 1, seedbed preparations are under way in much of the wheat-producing area. Therefore, any program to be effective must be enacted by that date.

Many of us jointly sponsored a bill in the 86th Congress, S. 3159, which we believe is the answer to the perennial wheat problem. This bill would establish wheat quotas on a bushel basis, instead of an acreage basis, as has been the custom in past years.

Such an approach has many advantages over the acreage approach. First and foremost, it provides a mechanism for an orderly reduction in CCC stocks, and shifts the responsibility for storage of any surplus production from the Commodity Credit Corporation to the individual producer, thus resulting in significant savings to the American taxpayer.

Secondly, and almost of equal importance, it will encourage the production of higher quality wheat. Under present acreage programs, a producer has a market for all of the production on his allotted acres—either to the trade or the Commodity Credit Corporation. Thus his incentive is to produce the maximum number of bushels on his allotment. In contrast, under the bushel program, each producer has a limited number of bushels to sell into the market for food and export. Thus his incentive is to produce the highest quality possible in order to receive the most dollars for this limited quantity.

In a similar manner, since only a limited volume of wheat will flow through trade channels, warehousemen and subterminal operators will tend to select the highest quality possible to ship forward to mills or exporters. This would be a big step forward in upgrading the wheat moving into world markets, and thus increase demand for U.S.-grown wheat.

For these reasons, we strongly urge that your Department develop, under the procedures provided by the Agricultural Act of 1961, recommendations for a comprehensive long-range wheat program, embodying the principles of the bushel program, in sufficient time to submit your recommendations to the Congress by January 1962.

Respectfully,

(The letter was signed by a bipartisan group of 26 Senators from wheat-growing States.)

Mr. ELLENDER. Madam President, I am glad to say that the Senator from Washington was one of the original proponents of a two-price system.

Mr. MAGNUSON. Yes.

Mr. ELLENDER. He has been working for many years on such a program. I am hopeful that the Senate will adopt the program now before it as a permanent program. It would make no sense to require that farmers vote on an option plan which, 2 years hence, might make us go back to the old law, which has given us so much trouble.

Mr. MAGNUSON. Operation under the provisions of the old law is or would be much more costly than under the present proposal.

Mr. ELLENDER. It is. There is no question about it.

Mr. BURDICK. Madam President, it is my belief that the amendments proposed by the Senator from Louisiana [Mr. ELLENDER], dealing with feed grains

and a wheat certificate plan, should be adopted.

The feed grain amendment would give producers the right to choose a supply management program that would bring stability to their farming operations at reduced cost to the Government.

As for wheat, the deletion from the bill of the option to continue the present temporary program is necessary, because it could defeat the goals of improving farm income and reducing Government costs.

Under the Benson farm programs and policies of the 1950's the farmer saw his net income decline steadily—year after year—even though in each succeeding year he worked harder, planted more acres, milked more cows, spent more money for fertilizer, and improved seed and machinery. In productivity and efficiency, the American farmer became the envy of a world where lack of adequate food and fiber prevents the peoples of most countries from achieving the industrial activity that would bring a higher standard of living.

We in the United States have been most fortunate. Our economy firmly based on our family-farm system of agriculture, has brought us the highest standard of living in the world. The farmers, themselves, have not benefited equitably in this standard. They are the ones caught in a vicious circle, for as the level of farm productivity has risen, their income has fallen.

In 1952, the Government had on hand about \$2.5 billion in farm produce, a reasonable level of commodities to meet emergencies and to bring stability to the market.

In the 8 Benson years, costs of supporting farm income soared, until by the end of 1960 the Government had a \$9 billion inventory of farm commodities on hand. Carrying charges alone on wheat and feed grains had mounted to \$900 million annually by 1961. And farm income had progressively declined.

This was not the fault of the farmer. It was the fault of the Benson programs forced upon the farmer. Statistics on production, consumption, and Government costs during the 1950's indicate that overall farm policies were faulty. Carryover stocks of feed grains at the beginning of the 1961 marketing year had reached an alltime high of nearly 85 million tons—more than four times those of 1952.

In 1961, under the emergency feed grain program, we made the first step in reducing the carryover to a more reasonable level. By the end of the 1961-62 marketing year, total carryover stocks are expected to be down by nearly 7.5 million tons. This is indeed an achievement. Members of this Congress who voted for the improved legislation can be proud of the success of the temporary feed grain program of 1961 and the prospects for continuing success in 1962.

But this success carries a high price tag because it does not include all producers. More than 25 million corn and grain sorghum acres were diverted to conserving uses by the 40 percent of the farms that chose to participate, at a cost of something more than \$780 million.

At the same time, those producers who did not sign up for the program planted 6 to 7 million additional acres of corn and grain sorghum, thus offsetting 25 percent of the diversion made by the co-operators. These producers got a free ride—they produced additional grain which they sold on a market where the price was protected by the efforts of the voluntary compliers.

The willingness of producers to participate in the voluntary feed grain programs is a clear indication that they know full well that the existence of the surplus is the cause of price weakness. Those who did not sign up are aware of this, too, but they figured there was an advantage that could be taken under the program.

Under the feed grain program proposed in the amendment before us, feed grain producers would be given the opportunity to choose a long-range program that would bring them good income at reduced Government costs, and without increasing the consumer prices for food.

Wheat producers repeatedly have endorsed supply management programs. The second Ellender amendment to the committee bill would enhance the prospects for a wheat certificate program, a concept which I have favored for many years.

A wheat certificate program, in place of the statutory national acreage allotment, would substitute authority for the Secretary of Agriculture to set a national quota, based on the requirements for wheat—domestic and export needs, including requirements for needy people at home and in friendly nations.

Despite the merits of both the wheat and feed grains proposal before the Senate the question has been raised whether farmers voting in a referendum will approve them. In the State of North Dakota quota referendums have been approved by margins greater than 90 percent for years. Certainly farmers will vote for the wheat marketing certificate program if given the opportunity. The feed grain and wheat programs are designed to complement each other—to go hand in hand. This becomes apparent when we look at the provision which would permit wheat to be planted on the feed grain allotments and feed grain to be planted on wheat allotments. This would give farmers a flexibility in planting which is much needed without increasing supplies of wheat or feed grains.

With these amendments, the Agriculture Act of 1962 would greatly strengthen the agricultural economy of our Nation; also, it provides the basis for sharply curtailed expenditures of the U.S. Treasury and reduces carryover. As I stated earlier, it provides the basis for increased farm income. The Agriculture Act of 1962, with the amendments cited, is worthy of the support of Members of the U.S. Senate, whatever geographical area they may represent.

Mr. ELLENDER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. Madam President, I submit an amendment, on behalf of myself, the senior Senator from Minnesota [Mr. HUMPHREY], and the junior Senator from Montana [Mr. METCALF], to the Food and Agriculture Act of 1962, S. 3225. I ask that the amendment be printed and lie on the table; and I ask unanimous consent that the text of the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 4, between lines 25 and 26, insert the following:

"(6) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(g) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota, and Minnesota to provide financial or technical assistance for wetland drainage on a farm under authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within ninety days after the filing of the application for drainage assistance: *Provided*, That the limitation against offering such financial and technical assistance shall terminate (1) one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource, (2) five years in any event after the date on which such adverse finding was filed, and (3) immediately upon any change in ownership of the land with respect to which such adverse finding was filed. The provisions of this subsection shall become effective July 1, 1962."

Mr. McCARTHY. Madam President, the purpose of the proposed amendment is to provide a procedure for reconciling the disagreements which have arisen over the administration of two important and well-established Federal programs: that of financial and technical assistance for wetland drainage, carried out under the authority of the Secretary of Agriculture, and that of preservation of wildlife habitat, under the authority of the Secretary of Interior.

The difficulties of administration are concentrated in the prairie pothole region of Minnesota, North Dakota, and South Dakota, and my amendment applies only to the wet lands in these three States.

There are, of course, a number of ways in which Minnesota and the neighboring Dakotas make a special contribution to the national welfare, but in this case it is the preservation of ducks and other migratory waterfowl. The duck hunters and the wildlife conservationists of the Nation are greatly indebted to the farmers and to the wildlife agencies of these

three States for the preservation of waterfowl habitat, since the migratory waterfowl nesting areas in the United States are primarily in these States.

At the same time the farmers of these areas have a proper interest in making the most efficient use of their land and in cooperating with the agencies of the Department of Agriculture in the long-range conservation program. The problems arise in the borderline cases where experts may nonetheless disagree on whether the interest of the farmer and of conservation are better served by drainage of wet lands or by establishing them as refuges.

From the beginning the Soil Conservation Service has recognized the value of wildlife conservation.

Over the past 20 years the Soil Conservation Service has issued a number of regulations and entered into agreements with Federal and State wildlife agencies in an attempt to resolve this problem. A summary of the Wildlife and Drainage Policies of the Department of Agriculture, 1935-61, has been prepared by the Soil Conservation Service and I believe the report is evidence of the conscientious efforts to solve this problem and evidence, also, of the need for legislative action now.

The officials of both the Department of Agriculture and the Department of Interior have reached agreement on the desirability of legislation. Bills were introduced in the last session and hearings were held by the Committee on Agriculture of the House of Representatives, and on September 13, 1961, the House approved a bill to deal with the problem (H.R. 8520).

In the statement of the Department of Agriculture before the House Committee, Gladwin E. Young, Deputy Administrator of the Soil Conservation Service, stated:

We wish to make it clear that the Department of Agriculture recognizes wildlife as a valuable asset * * * national policy has given definition to public interest in both efficient farming and wildlife. A solution to conflict between these two major uses of land cannot be found, therefore, merely by giving one type of use complete priority over the other.

In a letter to Representative POAGE, chairman of the Conservation and Credit Subcommittee of the House, Mr. D. H. Janzen, Director of the Bureau of Sport Fisheries and Wildlife of the Fish and Wildlife Service of the Department of Interior, stated:

We are no more anxious to withhold drainage assistance from farmers, where such drainage will not adversely affect wildlife, than is the Department of Agriculture. With review of projects as contemplated by this measure, and with judicious appraisal of the wetland values involved, we see no reason to anticipate that our Department would deny assistance in any case except where significant wildlife values exist. The Department of Agriculture has many times gone on record supporting this position and has done so in their statements on this bill.

Briefly, under the provisions of H.R. 8520, the Secretary of Agriculture cannot approve assistance to farmers for wetlands drainage if the Secretary of Interior finds that wildlife preservation would be harmed thereby. The Sec-

retary of Interior must file his finding with the Secretary of Agriculture within 90 days of the application by a farmer for assistance, or else the prohibition will be lifted. The limitation may also be terminated within 1 year after the filing by the Department of Interior of an adverse finding unless the Secretary of Interior or a State government agency offers to lease or purchase the wetland as a waterfowl resource.

H.R. 8520 was referred to the Subcommittee on Soil Conservation and Forestry, of which the Senator from Mississippi [Mr. EASTLAND], is chairman and I am a member. Questions were raised about the procedure under the House bill. In particular, the objection was made that the bill left one situation inconclusive. If the Secretary of Interior makes an offer to lease or purchase, but the farmer finds the terms unacceptable, there is no provision in the House bill for a final solution of the disagreement.

Several months ago I took up with Secretary Freeman certain questions and objections which had been raised. I believe that his reply reflects both the spirit of cooperation by the Department of Agriculture with wildlife preservation objectives and the need for some perfecting language in the House bill. I ask unanimous consent that the Secretary's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCARTHY. Madam President, the amendment which I shall offer to the farm bill retains the substance of the House bill, which is to give the Secretary of Interior the right to make a finding and to offer to purchase or lease the wetlands for a waterfowl habitat, but it provides that the limitation against the Secretary of Agriculture's offering financial and technical assistance shall terminate under any one of three conditions: First, 1 year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary or a State agency to lease or purchase the wetland; second, 5 years, in any event, after the date on which the adverse finding was filed; and third, immediately upon any change of ownership of the land involved.

The effect of my amendment is to provide an orderly procedure in cases where the governmental wildlife agency and the owner cannot reach agreement. It provides a negotiation period of up to 5 years, which I believe is a very generous time period. Under this provision both the farmer and the wildlife agency are given an incentive to reach agreement, but at the same time it prevents the possibility of an indefinite impasse by which farmers in these three States could be permanently denied an opportunity to secure the financial and technical assistance available to farmers in other States of the Nation.

In conclusion, I should like to emphasize that the amendment refers only to grants and expenditures under Government programs. It does not require

any farmer to lease or sell his land or otherwise interfere with his use of it. He would be free at any time to drain at his own expense or to make any use of his land he chooses. The amendment is limited to questions involving the use of Government funds, either by the Department of Agriculture for financial or technical assistance or by the Department of Interior or a State wildlife agency to establish a wildlife habitat.

Proposed legislation to deal with this problem has received strong support from groups interested in the preservation of migratory waterfowl. The Department of Agriculture, after many years of attempting adjustments through administrative action, favors legislation. So does the Department of Interior. The House of Representatives has already approved a bill.

It is my opinion that the amendment which I have submitted, and which will be called up at the appropriate time, resolves the major procedural question involved. I believe that the adoption of the amendment, which is an amended version of the House bill, will permanently solve the problem.

EXHIBIT 1

— DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 21, 1962.

HON. EUGENE J. McCARTHY,
U.S. Senate,

DEAR SENATOR McCARTHY: Your letter of February 12, 1962, relative to the engrossed bill, H.R. 8520, now before your Senate Committee on Agriculture and Forestry, has been given careful consideration. You have raised several pertinent questions that do need clarification for the benefit of those who will administer and participate in this proposal as it becomes law.

The U.S. Department of Agriculture has vigorously promoted the proper use of land for several decades. We have recognized—and have been joined by millions of farmers in this—that wildlife habitat is an important resource of the private lands of the Nation. In the three-State area referred to in H.R. 8520 there has been a long-term and determined effort to evolve an equitable arrangement that recognizes the unique features of this "pothole area" for migratory waterfowl habitat. However, the highly competitive demands and potentials of the proper land use in this pothole area suggests that legislative policy would be desirable.

The following discussion will be an attempt to answer the questions you raised. You may want to request the Department of the Interior to comment on some of these questions. We have worked closely with their officials on this matter, and we assure you that we will continue to do this in the future.

The purpose of H.R. 8520 is to give statutory authority for a cooperative arrangement between the Agriculture and Interior Departments somewhat similar to but not identical with the agreement which is now in effect on a trial basis. The bill goes much further to define responsibilities. The agreement now leaves the final decision in the hands of the Department of Agriculture's county ASC committees. There is now no well-defined responsibility on the part of the Department of the Interior to offer the farmer a reasonable alternative if their finding is against drainage. We have no information as to the extent that farmers have been offered a lease or purchase agreement in such cases.

There are about a dozen counties in which the present cooperative arrangement is in effect. It will be desirable to have a uniform policy and procedure in the 89 pot-

hole counties in the two Dakotas and Minnesota, and the Department of Agriculture offers no objection to the enactment of this measure especially if certain interpretations are agreed to as stated in our testimony on this bill to the House Agriculture Committee.

You have raised two points that definitely need clarification prior to enactment of H.R. 8520:

1. As you point out, the bill might be interpreted that if the present owner finds the offer made by the Secretary of the Interior unacceptable, he will from that time on indefinitely be denied assistance on the land in question. While we had not considered this to be the case, it would certainly seem reasonable that H.R. 8520 should not be designed or interpreted to create situations that would remain unresolved indefinitely.

It would be reasonable to make this point clear in the legislative history or to change the bill to provide that a new owner of the land be given full opportunity to renew the total process, including that of applying for drainage assistance, if he so desired. It would also seem reasonable that provision should be made to provide that if the present owner finds the offer unacceptable, that after a period of 5 years or so the owner would have a right to file an application with the county ASC committee for reconsideration of his request for Federal assistance for drainage of the specific area.

2. Your question calls attention that the bill does not give the Department of Agriculture authority to join with the Department of the Interior in determining what is a reasonable offer. Nor does it provide the owner with an opportunity to appeal to the Department of Agriculture if he thinks the offer to lease or buy is unreasonable. The legislative history made during the debate in the House dealt briefly with the term "reasonable offer." It would seem to us that as the Department of the Interior administers their program for land acquisition for protection of waterfowl habitat it will seek the cooperation of several agencies—Federal, State, and local in setting standards, but it would seem correct to leave the final administration with the Department of the Interior. Success of an accelerated program of land acquisition for this purpose will naturally depend primarily on favorable response from farmers and ranchers who now control this land. Landowners will probably be somewhat reluctant to participate unless the offers are reasonable.

We will help in any way we can to resolve these few unanswered questions, and appreciate your interest in this entire matter.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

Mr. PROXMIRE. Madam President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. I congratulate the Senator for offering the amendment. I am interested in studying it further. I know it will be very interesting and helpful to the objectives of two Representatives from my State, Representative REUSS and Representative JOHNSON, who are most desirous to secure action on this proposal.

I think the attention of the Senate should be called to the taxpayer implications and the national responsibility implications of the amendment.

As I understand, one difficulty is that farmers now can receive Federal payments for draining wetlands on their property, while at the same time public moneys are expended for creating wet-

lands to enable the preservation of wildlife. Is not that correct?

Mr. McCARTHY. The Senator is correct; yes.

Mr. PROXMIRE. Often the land which is drained is ideal and helpful for the preservation of wildlife, has been used for this purpose for years, and provides great recreational value.

The Senator from Minnesota has said that the amendment would affect farms in his State and in the States of North Dakota and South Dakota. Is that correct?

Mr. McCARTHY. The bill in its present form is confined to three States.

Mr. PROXMIRE. I think that indicates characteristic statesmanship on the part of the Senator from Minnesota. The amendment affects the farmers of his own State. I know some persons have objected to the proposal on the ground that farmers would be deprived of Federal payments or, at least, because Federal payments might be held up. The fact that the Senator from Minnesota himself offers an amendment and has distinguished cosponsors indicates that this is a matter of national concern.

As I understand, if the Secretary of the Interior finds that the payment by the Secretary of Agriculture to a particular farmer might result in the destruction of wetlands, then he would be able to make an adverse finding, and could then permit one of three courses to take place. Under the first finding, the payment could be held up for 1 year.

Mr. McCARTHY. For 1 year; that is correct.

Mr. PROXMIRE. At most, for 5 years. Under no circumstances could it be for more than 5 years. Is that correct?

Mr. McCARTHY. The Secretary could hold up payment for 1 year simply by a finding and by putting a "hold" on the land. If within that 1 year no effort had been made by the Department of the Interior or by a State agency concerned with wildlife preservation, the farmer could renew his request for Government aid, and his application would again be given consideration.

The action then would depend entirely on the authorities of the Department of Agriculture. At that time they would have acknowledged the "hold" by the Department of the Interior and have given that Department a year to take action. If the Department of the Interior had not taken action, the Department of Agriculture could again consider the farmer's request for participation in the Department of Agriculture program.

However, if within that year an offer to lease or purchase were made by the Department of the Interior or by a State agency, the farmer could refuse it, but he could not turn to the Department of Agriculture again until approximately 5 years had elapsed.

I assume he could be released at any time by the Department of the Interior if that Department said its offer no longer stood. Then the farmer could go back again to the Department of Ag-

riculture and say, "The Department of the Interior is no longer interested in this offer; therefore, I should like to have Department of Agriculture assistance."

Mr. PROXMIRE. The Senator from Minnesota has submitted his proposal as an amendment to the pending bill and expects to call it up, does he?

Mr. McCARTHY. Yes. The amendment is an amendment to the House bill, which will be offered as an amendment to the pending bill. The problem with the House bill was that there was no provision by which a farmer could really at any point say, "I now want to go back to the Department of Agriculture for aid under the existing agricultural program." Once the Department of the Interior had said, "No," that was a kind of final, absolute "No."

The amendment attempts to establish a sort of statute of limitations which will run against the Department of the Interior and other wildlife agencies by providing that they will have to act within these limitations.

Mr. PROXMIRE. Do I correctly understand that both the Department of Agriculture and the Department of the Interior favor the proposal and have had an opportunity to consider the amendment in relation to the program?

Mr. McCARTHY. Both departments have had an opportunity to consider the amendment. It is my understanding that there is no objection to it on the part of either department.

The letter from Secretary Freeman to me does not give his absolute endorsement of it, but he states, in part:

1. As you point out, the bill might be interpreted that if the present owner finds the offer made by the Secretary of the Interior unacceptable, he will from that time on indefinitely be denied assistance on the land in question. While we had not considered this to be the case, it would certainly seem reasonable that H.R. 8520 should not be designed or interpreted to create situations that would remain unresolved indefinitely.

It would be reasonable to make this point clear in the legislative history or to change the bill to provide that a new owner of the land be given full opportunity to renew the total process, including that of applying for drainage assistance, if he so desired. It would also seem reasonable that provision should be made to provide that if the present owner finds the offer unacceptable, that after a period of 5 years or so the owner would have a right to file an application with the county ASC committee for reconsideration of his request for Federal assistance for drainage of the specific area.

The amendment I propose provides a 5-year limitation which, the Secretary indicates in his letter, would not seem to be unreasonable. He states:

It would also seem reasonable * * * that after a period of 5 years or so—

And so forth.

Mr. PROXMIRE. So the amendment of the Senator from Minnesota seems to comply with the requirement therein set forth in the letter of the Secretary of Agriculture, does it?

Mr. McCARTHY. Yes, I think this letter from the Secretary of Agriculture

and the response by the Department of the Interior can fairly be interpreted as recommendations of this amendment or statements in support of such an amendment.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. McCARTHY. I thank the Senator from Wisconsin.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PELL in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFUGEES FROM COMMUNIST CHINA

Mr. JAVITS. Mr. President, earlier today the distinguished Senator from South Dakota [Mr. MUNDT] and the distinguished deputy majority leader [Mr. HUMPHREY] spoke about the situation of the refugees who have come from Communist China into Hong Kong. At this time, I should like to discuss that subject.

Mr. President, the problem of refugees has interested me greatly ever since I have been a Member of Congress. I have sponsored many pieces of legislation in order to deal with it. Furthermore, in 1947, when I first came to Congress, I served on the first committee of the other body to investigate the problem of the refugees and escapees who then were in the displaced persons camps in Germany and Austria; and I had some hand in the legislation, subsequently enacted, to deal with that subject. So I have a very deep interest in the subject, and I qualify that interest in the ways I have just now stated.

Mr. President, I would agree, first, that our U.S. authorities should make available the food for possible allocation to the authorities of the Chinese Nationalist Government on Taiwan, in order to enable them to care for the greatest possible number of Chinese refugees coming from Communist China into Hong Kong; and I add my voice to those raised here earlier today in urging that that be done. Of course I shall cooperate fully, in every way open to me, toward that end.

Second, Mr. President, it is shocking that those who seek to escape from communism to freedom should be turned away; and it is almost too awful to contemplate that they should be transported back, behind the Communist border from which they have escaped. Yet that is exactly what has happened in Hong Kong.

Of course, Mr. President, we have had quite complete experience with such situations, in connection with the border between East Germany and West Germany and the situation existing between the East German Government and the Government of the German Federal Republic, until very recently.

Mr. President, I hail with satisfaction the fact that the Chinese Nationalist Government now appears to be agreeing to take a substantial number of these refugees from Communist China; and I speak with the greatest unhappiness in regard to any thought of returning them or transporting them back, as the British have thought they had to do, from Hong Kong.

But let us understand that the responsibility for this situation applies to the entire world, not only to the British in Hong Kong.

Mr. President, I have been in Hong Kong, and I realize only too well the absolutely impossible physical conditions under which Hong Kong labors, and also the fact that it is not beyond the possibilities that the Communist Chinese would open wide the floodgates, in order literally to inundate Hong Kong, in order to destroy it—a technique which is entirely within the inhumanity and brutality, in terms of the treatment of human beings, of which the Chinese Communist regime would be capable.

In addition, we know that that regime is having tremendously great problems because of famine and the shortage of food—which constitute all the more reason why that regime would be anxious, on political grounds, to unload as much of the human problem as possible on Hong Kong.

So, Mr. President, much as we hail the action of the authorities on Taiwan in taking these refugees, and also much as we commend our own authorities for making surplus food available in order better to enable that to be done, at the same time we must point out that there is not only a breakdown of the processes of freedom in Hong Kong, but also a breakdown which faces the entire world; and we must demonstrate a willingness to resettle the refugees from Communist China—subject to all our procedures for screening, and so forth, with which we are familiar—just as we have demonstrated our willingness to do that for the refugees from behind the Iron Curtain in East Germany, because the whole world will expect all the nations of the world, including our own country, to make an equal approach to the problems of humanity herein involved, and also an equal approach to the winning of the cold war, which also is here involved, regardless of the color of the skins of the persons involved—whether they be white, as in the case of the refugees from East Germany, or whether they be yellow, as in the case of the refugees from Communist China.

So, Mr. President, in addition to the second point, which is the reception by the Nationalist Chinese of the Chinese refugees from Communist China and the help given by our country to those refugees, by means of making food available, the third point in connection with this situation is that it calls for a concert of the nations, perhaps through the auspices of the United Nations, so that—just as was done in the case of the displaced persons problem and other problems in connection with refugees of this character—all the countries of the world

will bear their equal share of the responsibility, in accordance with their capability for bearing some of this burden.

In short, Mr. President, this problem is not confined to Taiwan and Hong Kong. Instead, it is a problem for all the world, because all of us are engaged in this struggle.

So the third point would be that the United States perhaps might well take the initiative in raising it as an international question, and, either by the extension of the work of the High Commissioner for Refugees of the United Nations, if that can be accomplished, or by an ad hoc meeting of the nations of the world which have the capability for absorption of some of these refugees, to seek to allocate the burden and responsibility on a fair-share-per-nation basis.

Fourth, we have an organization called the International Rescue Committee, which has already looked into this matter, and of which the distinguished occupant of the chair [Mr. PELL], if my memory serves me correctly, is a very important official. This organization has called it to the attention of the world. It is organized and able to utilize privately contributed funds for the purpose of helping to alleviate the very dreadful condition of these refugees.

So, Mr. President, I urge my fellow Americans to consider giving support to the International Rescue Committee. I might tell the Chair that, as I am in the habit of practicing what I preach, I am sending a check to the International Rescue Committee, myself, today, in order to produce, in the fastest possible way—and that is the fastest possible way—additional resources for the care which we solicit here and in other places for these refugees from Communist China.

Finally, let us not ever overlook for a moment the tremendous significance of the kind of an exodus the flight of these refugees represents; and it is an exodus, apparently, of very significant moment from a Communist country, especially a Communist country which has been as bitter and intransigent in its hate-America campaign as has the regime of Communist China.

Just as we are inclined to look with considerable gratification on the fact that no country we know of, once free, has turned Communist, and that some of them, although they have veered in that direction, have retraced their steps very hurriedly—except for the dreadful example which we have in Cuba, right off our shores—so we have a right to take considerable satisfaction from the fact that we have had no exodus from the free world to the Communist world. Even those very few who have even thought of the idea have in many cases turned right around and retraced their steps. We had an instance of that only a few days ago.

Mr. President, this is an acid test for mankind. While we talk about spending billions and billions of dollars of our treasure for defense—which is right, and which we all support—and the tremendous sacrifices which our young people must undertake, such as the Marines are making now in the new and extremely

Letters concerning reelection as Oregon Railroad Commissioner, 1913. Documents prepared as Oregon Railroad Commissioner, three briefs and one manual. Manual and documents as solicitor, valuation committee, National Association of Railway Commissioners, 1915-16. (See also Valuation Case documents, box 22.)

Box 5: Clyde Aitchison: Correspondence with Joseph Teal, 1915-29. Correspondence concerning appointment as Commissioner, Interstate Commerce Commission, 1916-17.

Box 6: Clyde Aitchison: Correspondence concerning reappointment as Commissioner, Interstate Commerce Commission, 1921, 1928, 1935, 1942, 1949.

Box 7: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, March 17, 1919, September 30, 1921, 10 volumes in 7. "Pink file," volume "O" consists of memorandums preceding the "Pink file," volumes self-indexed.

Box 8: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, October 5, 1921-July 6, 1930, 15 volumes in 6. "Pink file," volumes self-indexed.

Box 9: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, July 7, 1930-38, 24 volumes in 7. "Pink file," volumes self-indexed.

Box 10: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, 1939-42, 18 volumes in 7. "Pink file," 1942 volume in 2 parts: Part 1, memorandums; part 2, correspondence, volumes self-indexed.

Box 11: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, and memorandums, 1943-46. Miscellaneous memorandums, 1947, 10 volumes in 8. "Pink file," volumes self-indexed.

Box 12: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, and memorandums, 1947-52, 8 volumes. "Pink file," volumes self-indexed.

Box 13: Clyde Aitchison: ICC Commissioner Aitchison, outgoing correspondence, 1951-52, one volume. Personal correspondence, 1945-52, three volumes. Miscellaneous correspondence, 1932-52, A-R, including major files, 1915-32; Marshall Dana, Winthrop M. Daniels, Carl V. Elmquist, Richard T. Ely, Herschel A. Holloper, T. W. Jacobs, Wilbur LaRoe, Jr., Lewis A. McArthur, William C. McCulloch, Wayne L. Morse, Felix J. C. Pole, Mark W. Potter, Clyde M. Reed, Robert P. Reeder.

Box 14: Clyde Aitchison: ICC Commissioner Aitchison, miscellaneous correspondence, 1932-52, S-Z, including major files, 1915-52: I. L. Sharfman—C. E. R. Sherrington—Max Thelen—Luther Walter—Daniel Willard. Memorandums, Chief Counsel, ICC, 1917-25, three volumes, indexed.

Box 15: Clyde Aitchison: ICC memorandums, conference and general memorandums, 1920-44. ICC memorandums, legislative memorandums, 63d Congress (1914), 78th Congress (1938), including Eastman plan.

Box 16: Clyde Aitchison: ICC memorandums, legislative memorandums, 78th Congress (1938), House bills, 80th Congress (1947-48), House bills.

Box 17: Clyde Aitchison: ICC memorandums, legislative memorandums, 80th Congress (1947-48), House bills, 81st Congress (1949-50), general memorandums, Senate.

Box 18: Clyde Aitchison: ICC memorandums, legislative memorandums, 81st Congress (1949-50), Senate bills, 82d Congress (1951-52). ICC memorandums, concerning freight forwarder bills, 1939-41.

Box 19: Clyde Aitchison: ICC memorandums, legislative memorandums, concerning freight forwarder bills, 1941-51. ICC memorandums, legislative memorandums, concerning Phillips bill, to provide for review of orders of the ICC. Includes correspondence and working papers.

Box 20: Clyde Aitchison: ICC memorandums, legislative memorandums, concerning Attorney General's Committee on Adminis-

trative Procedure. Includes reports, bills, hearings, and statements, 76th to 79th Congress, 1939-45.

Box 21: Clyde Aitchison: ICC memorandums, legislative memorandums, concerning Attorney General's Committee on Administrative Procedure. Includes correspondence, working papers, reports, and publications, 1939-49.

Box 22: Clyde Aitchison: ICC cases and allied documents, valuation cases. Federal valuation of the railroads in the United States, Philadelphia, 1915, one volume. Association of American Railroads, valuation committee, report, 1916, one volume. National Association of Railway Commissioners, valuation committee, bulletins, and documents, 1916-17, one volume. ICC cases on procedure, evidence, and valuation of railroads, two volumes. ICC valuation case memorandum with respect to valuation, one volume. ICC digest of decisions in valuation cases, 1932, one volume. ICC report of recapture board, three volumes, includes index.

Box 23: Clyde Aitchison: ICC cases and allied documents. ICC valuation docket 1, 2, 3, 4, 5: (1) Atlanta, Birmingham & Atlantic Railroad; Georgia terminal; Atlanta Terminal Railroad; (2) Texas Midland Railroad; (3) New Orleans, Texas & Mexico Railroad Co.; (4) Kansas City Southern Railway Co.; (5) Winston-Salem Southbound Railway Co. (briefs, hearings, 1917-20, nine volumes). ICC bibliography on valuation, one volume.

Box 24: Clyde Aitchison: ICC cases and allied documents. Ex parte No. 57, "15-percent rate case," documents and testimony, 1917. Ex parte 71, In re section 422 of the Federal Transportation Act, hearings, 1920, one volume. Docket No. 13293, general rate investigation before ICC briefs, two volumes; summary of testimony and arguments, one volume, 1921-22. Docket No. 15100, depreciation charges of steam railroad companies, hearings, 1923, one volume.

Box 25: Clyde Aitchison: ICC cases and allied documents. Ex parte 87, Docket No. 17000, rate structure investigation. Revenues in western district, summary of testimony, 1925, four volumes. Ex parte 115. Increases in freight rates, fares, and charges. Before the ICC abstracts of testimony, arguments, correspondence, and forms, four volumes, 1924-37.

Box 26: Clyde Aitchison: ICC cases and allied documents. Ex parte 115 (continued and concluded), six volumes.

Box 27: Clyde Aitchison: ICC cases and allied documents. Ex parte 123 and 125, increases in rates, fare, and charges. Before the ICC, 15-percent case. Correspondence, abstract of testimony, abstract of argument, 6 volumes, 1937-38.

Box 28: Clyde Aitchison: ICC cases and allied documents. Docket 2600, general rate level investigation before the ICC. Summary of testimony and argument, 1 volume, 1933. Ex parte 126, express rates, letters, and telegrams, 1 volume, 1938. Dockets 28300, 28310, MC-C-150. Class rate investigation, 1939. Consolidated freight classification, 1939. Motor freight classification, 1939. (Correspondence, documents, 2 volumes). Ex parte 148, 162, 166. Increased railway rates, fares, and charges, 1942, 1946. Letters and telegrams, 2 volumes. Dockets 29663, 29664, 29708. In the matter of transcontinental rail rates (29633). Intercoastal water rates (29664). All-water, water-rail, and rail-water rates between Pacific coast ports and interior points (29708), 1947. Transcript of testimony, volumes 1-8.

Box 29: Clyde Aitchison: ICC cases and allied documents. Docket 29663, 29664, 29708 (continued and concluded), volumes 9-77. Dockets 29721, 29722, 13457. In the matter of all-rail commodity rates between California, Oregon, and Washington (29721) Pacific coastwise water rates (29722). Pa-

cific coast fourth section applications (13457). Hearings, transcripts of testimony, 1949, 14 volumes.

Box 30: Clyde Aitchison: ICC cases and allied documents. Dockets 29663, 29664, and concluded), 1949-51. Dockets 30416 and 30660. In the matter of class rates, Mountain-Pacific territory, and transcontinental rail rates. Correspondence, exhibits, testimony, 1951. Federal control of railroads, World War I, studies, documents, correspondence.

Box 31: Clyde Aitchison: Federal control of railroads. Freight rate controversy, 1923, correspondence, memorandums. Coal crisis of 1923, correspondence, memorandums. War Policies Commission, 1931, reports, correspondence. Federal Coordinator of Transportation (Eastman) Speeches, memorandums. Federal Coordinator of Transportation. Foreign Experience With Transportation Control (official study, mimeographed). World War II (including Office of Price Administration), 1946-50. Correspondence, memorandums.

Box 32: Clyde Aitchison: Special projects of Commissioner Aitchison: (1) Study of railway rate regulation in Great Britain; (2) study of the regulation of transportation in Great Britain, 1914-34. Notes, correspondence, source material, memorandums, 1932-52. (See also C.E.R. Sherrington correspondence, box 14.)

Box 33: Clyde Aitchison: Special projects of Commissioner Aitchison: (1) Federal Bar Association, Committee on Administrative Law, correspondence, memorandums, reports, on reform of administrative procedure, 1938-39 (see also Attorney General's Committee on Administrative Procedure, box 20, 21); (2) Brazil trip, 1944-45, correspondence, literature, and report to Director, Office of Inter-American Affairs; (3) judicial conference, Advisory Committee on Administrative Procedure, correspondence, memorandums, reports, 1950-51 (see also Attorney General's Committee on Administrative Procedure, box 20, 21); (4) postwar planning report to the President, by Aitchison and Porter, report and working papers, 1943; (5) course outline and notes for course in administrative law, American University, Washington, D.C.

Box 34: Clyde Aitchison: Case files, Board of Transportation Commissioners for Canada, correspondence, judgments, orders, memorandums, 1953-61.

Box 35: Clyde Aitchison: Case files, ICC docket MC-C-1762, *Seattle Traffic Association v. Consolidated Freightways, Inc.* (on behalf of deferment), briefs, correspondence, exhibits, and documents, 1954-60.

Box 36: Clyde Aitchison: Case files, ICC docket MC-C-1762 (continued and concluded).

Box 37: Clyde Aitchison: Case files: (1) ICC docket 31660, Arkansas intrastate freight rates and charges (on behalf Reynolds Metal Co.), correspondence, briefs, documents, 1955-56; (2) ICC I and S docket 7151, guaranteed rates, Sault Ste. Marie, Ontario, to Chicago (agreed charges) (on behalf National Motor Freight Traffic Association), correspondence, briefs, memorandums; (3) ICC docket 32290, increased less-than-carload rates in official territory (on behalf National Motor Freight Traffic Association), 1958-59.

Box 38: Clyde Aitchison: Case files: (1) ICC docket 6062, petroleum in north Pacific coast territory (on behalf Pacific Inland Tariff Bureau, Inc.), correspondence, documents, 1952-54; (2) ICC MC-C-1796, *Portland Freight Traffic Association v. M. & M. Fast Freight* (on behalf the association), 1956; (3) ICC Ex parte 212, increased freight rates (on behalf North Pacific Lumber Co.), 1958; (4) ICC I and S docket 7250, contract rates—rugs and carpeting (on behalf National Motor Freight Traffic Association), 1959-60; (5) *Grace Line, Inc., et al. v. Panama Canal* (in consultation with and for C. Dickerman Williams), 1957-58; (6) CAB

FBI docket 5947, indirect carriage of property (on behalf American Airlines), 1953-56; (7) Middle Atlantic Conference, correspondence, memorandums, documents, 1952-54; (8) Southern Motor Carriers Rate Conference, correspondence, memorandums, documents, 1952-61; (9) American Trucking Association, memorandums, statements, documents concerning H.R. 6161 and other omnibus transportation bills, 1955-56.

Box 39: Clyde Aitchison: Case files: (1) National Traffic Committee, bulletins, reports, correspondence, memorandums, 1953-58 (includes file on "piggyback" transportation); (2) National Motor Freight Traffic Association, minutes, bulletins, reports, correspondence, memorandums, 1955-60 (see also specific cases on behalf the association).

Box 40: Clyde Aitchison: Personal and business correspondence, outgoing, 1952-61 (chronologically arranged, third copies). Personal miscellany; Hasting College correspondence, 1930-60; Interstate male chorus and other music groups, correspondence, programs.

Box 41: Clyde Aitchison: Diaries, account books, memo books, 1913-60.

Box 42: Clyde Aitchison: Diaries, account books, memo books, 1913-60. Addresses and publications.

Box 43: Clyde Aitchison: Addresses and publications.

ORDER OF BUSINESS

Mrs. NEUBERGER obtained the floor.

Mr. AIKEN. Mr. President, I ask unanimous consent that the Senator from Oregon may yield to me without losing her right to the floor.

Mrs. NEUBERGER. Mr. President, I yield to the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. AIKEN. Mr. President, the matter before the Congress is, of course, the agriculture bill. The bill was reported by the Committee on Agriculture and Forestry of the Senate. However, we find on our desks, having arrived today, 72 pages of amendments to that bill. They are extremely far-reaching amendments.

The wheat amendment, if approved, conceivably could raise considerable hob with the feed grain growers of this country, yet I do not believe that the feed grain growers even know the amendment is proposed.

There is a proposed dairy amendment, which would provide what the Committee on Agriculture and Forestry rejected, that the Secretary of Agriculture might take quotas from one part of the country and transfer them to another. Apparently the talented gentleman from Texas who has been so successful in manipulat-

ing cotton allotments has inspired others to feel that efforts successful in respect to cotton might be even more successful in respect to the dairy business. But the dairy people do not know about the amendment.

Most of the Members of the Senate have not seen the amendments. It is true that they were printed at 10 o'clock this morning and made available, but most Senators have not seen them yet.

I understand that the White House and the Department of Agriculture are undertaking to do a "snow job" on the Congress, to have the amendments acted upon before the people back home, who may be made or broken by the adoption of the amendments, become aware of what is being proposed to affect their fortunes. So I sincerely hope that there will be no effort to force a vote on the amendments, which many Senators have not yet seen. I have only barely seen them. I have not had an opportunity to study them. I ask that the vote be delayed until ample time has been given to those who will be most seriously affected to know what is contained in them.

I think the point is extremely important. We are also occupied in the study of other questions, which were scheduled for consideration previous to the proposal of the amendments. The amendments were submitted late yesterday and not made available until earlier today.

The Committee on Foreign Relations is trying to mark up the foreign aid bill. The Senator from Iowa [Mr. HICKENLOOPER], who is usually a spokesman for the feed grain bill, is involved in consideration of the foreign aid bill. He cannot be present in the Chamber. I am sure that he is intensely concerned with the pending business, which is a wheat proposal. I would not consider it in the least fair to undertake to press any of the amendments to a vote until Senators who would be affected by them have full opportunity to read and submit them to the people at home for analyses and to have the benefit of their judgment.

Mr. MUNDT. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield.

Mr. MUNDT. I should like to associate myself with those portions of the remarks of the Senator from Vermont which indicate that we need a little time to discuss the proposed amendments to the measure before the Senate. The amendments are sweeping in nature and far reaching in consequences.

Earlier today I talked with a representative of the Cattlemen's Association from the State of Texas, who was greatly concerned about the report that an amendment will be offered to reinstate the compulsory feed grain section. According to that visitor, that would be highly detrimental to the livestock industry. I happen to know that that is a position shared by the livestock industry of my own State. The man with whom I talked said it was highly important that a little time be given so that the livestock industry of the country generally might recognize the far-reaching consequences of a compulsory feed grain program, which would consequently re-

sult in a production control program, if not a price control program, for livestock.

So I hope that we may consider this subject in an orderly and deliberate fashion. I should like to recommend to the committee chairman and to the acting majority leader that some kind of unanimous-consent proposal be presented which would be agreeable to Senators generally, so that we could be assured that there would be no precipitate vote on any of the amendments, and so that the country could be assured that all the facts would be available before the Senate votes.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mrs. NEUBERGER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I assure the Senator from South Dakota that no attempts will be made for precipitate action. When the Senator from Louisiana, the distinguished chairman of the Committee on Agriculture and Forestry, presented his amendments today, I alerted Senators on the Republican side of the aisle and suggested that they bring Senators to the Chamber. There is no more important business of the Congress than the agriculture bill that is now before the Senate.

Mr. MUNDT. The Senator is correct.

Mr. HUMPHREY. It is difficult to get Senators to come to the Senate Chamber. I spent an hour and a half this morning trying to get Senators to come to the Chamber.

I would be the last one to want to force precipitate action on any proposals as important as the amendments which are before the Senate. I think the Senator knows that. The majority leader wishes to consult with Members on the minority side of the aisle as well as those on this side of the aisle with regard to some kind of unanimous-consent agreement. I think that would be helpful. I know the Senator from South Dakota has other responsibilities. The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Vermont [Mr. AIKEN], and I have other responsibilities.

Mr. MUNDT. Most Senators have.

Mr. HUMPHREY. We would like to regularize the procedure. I shall cooperate toward that end.

Mr. MUNDT. I was sure that the Senator would make that statement, and I am sure that the chairman of the committee would not say otherwise. The pressure would be removed if we could know in advance of the time that we were reaching the voting stage.

Mr. ELLENDER. As the Senator from Minnesota stated, debate on the bill was started yesterday. It is difficult to bring Senators to the Chamber to listen. So far as I am concerned, the two amendments that I have proposed reveal nothing new. The subject was discussed in the committee. Hearings were held on the proposals for several weeks. I am satisfied that the cattle industry, as well as all others interested in the proposed legislation, know full well all about the amendments which I, in my own right as chairman of the committee, have offered.

The Senator from South Dakota knows very well that in respect to his proposal to have an alternate plan in the wheat provision of the bill, I stated that when the time came—perhaps not at the time, but soon thereafter—I would move to strike that option from the bill. That is what I am attempting to do now. That is the pending question. In so far as the so-called feed grain proposal is concerned, there is nothing new in it. It is worded along the lines discussed when the bill was before the committee.

Mr. MUNDT. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield.

Mr. MUNDT. The Senator is quite correct. He announced publicly that he would offer the two amendments. The livestock industry is primarily interested in a compulsory feed-grain proposal. A great many wheat farmers are vitally affected and interested in the proposal now before the Senate. As the Senator from Minnesota has pointed out, if the proceedings could be regularized so that all Senators would know when voting would begin, and that voting would not start at least until Senators who are absent attending to other duties have an opportunity to read the debates in the RECORD, I think we could move to dispatch the business of the day.

It is very difficult to keep Senators in the Chamber during general debate. When the stage is reached when a vote is imminent, and the intention as to the time for voting is announced in the RECORD, interested Senators will make an endeavor to be present.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield.

Mr. HUMPHREY. I ask the attention of the Senator from South Dakota [Mr. MUNDT] and the attention of the Senator from Vermont [Mr. AIKEN]. We can consider the amendments one at a time. We know that two key amendments will be voted upon. As the Senator from Vermont has said, there are some additional amendments, but the two key amendments are the wheat amendment, which was presented by the Senator from Louisiana [Mr. ELLENDER], and the feed grains amendment. Those are the two most controversial amendments. It seems to me that we might arrive at some kind of unanimous consent agreement which would give Senators who are vitally interested in the question time for study, and the advance notice required for orderly debate. I know that the majority leader is keenly interested in the proper procedure. He is interested in proceeding with the debate so that we may have a schedule next week, in which Memorial Day occurs, that would be helpful to our colleagues in the Senate. If Senators will give me some suggestions, I shall be happy to convey them to the Senator from Montana [Mr. MANSFIELD], who is a reasonable man.

Mr. AIKEN. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield.

Mr. AIKEN. I had hoped that action on the bill could be concluded this week. However, up to this time most Senators do not know what discussion has taken

place in the Committee on Agriculture and Forestry. I am afraid they do not know what the amendments provide. I am sure that they will want to consult with the people back home who are most affected in the various lines of agriculture. I suggest that we receive assurance that there will be no precipitate vote due to lack of speakers. Some Senators have not spoken because they do not yet know on what subject they should speak. They must read the amendments to find out what to speak on. Perhaps tomorrow we could consider the question of the time to start voting. Personally, I would hope it could be Thursday. Of course, I am in no position to speak for anyone else. I would hope it could be Thursday, and that we could conclude by Friday night.

Mr. HUMPHREY. That was the thinking of the majority leader, that possibly we could come to a vote by Thursday. With respect to the two amendments, the wheat amendment and the feed grains amendment, I do not believe there is any lack of understanding as to what those amendments mean. There are other amendments that are different, of course. I am sure that Senators will want to have some discussion of those amendments. I understand that there are dairy amendments and other amendments to be offered. Much will be said about those amendments, and I can assure the Senator from Vermont that we will have all the time in the world to discuss those amendments. As to the wheat amendment and the feed grains amendment, I believe that after some reasonable hours of debate we ought to be prepared to come to a vote on those amendments. I will talk it over with the majority leader. Perhaps we can agree to vote early Thursday on those amendments, and possibly first discuss them with the Senators involved.

Mr. MUNDT. Speaking as one who has an amendment before the Senate now on a vital part of the wheat program, I am prepared to agree to let us start to vote on Thursday, with a reasonable amount of time allowed to discuss both sides of the amendment. I would assume that probably it would not require too lengthy a discussion once we can get the Senators here, because the issues with respect to it are not complicated. They are quite generally understood. All Members would probably be prepared to vote sometime after the morning hour on Thursday, after we had had an hour's debate, or so, on each side, and to such a proposal I would have no objection. It would be much better to do that than to have everyone agitated and worried about a vote coming sometime before he had a chance to confer with the various commodity groups and his constituents.

Mr. ELLENDER. I assure every Senator that it was not my purpose to rush to a vote. I want to give Senators every opportunity in the world to discuss the amendments. I have tried to do that in the committee.

Mr. MUNDT. The chairman has always been fair. However, if we run out of speakers, and an amendment is be-

fore the Senate, there must be a vote, in spite of the patience of the chairman.

Mr. ELLENDER. I hope the distinguished Senator from Vermont, as well as the distinguished Senator from South Dakota, will cooperate with us to the end that we may be able to get to an end of the debate sometime this week.

Mr. MUNDT. I would like to see this result.

Mr. AIKEN. I am in favor of getting through with the discussion of the bill this week, if it is humanly possible. However, I believe that Members of the Senate ought to be reasonably well alerted as to when there would be a vote. When we run out of speakers, as we have almost run out of speakers today, a vote is in order, unless someone is in the position to block action. No one wants to do that. It is better to have a time set for voting.

Mr. HUMPHREY. We may be able to consummate an agreement as to time. Merely as a preliminary discussion at this time, could we possibly begin thinking about agreeing to vote on the wheat amendment, let us say, at 2:30 on Thursday, and that 2 hours later, after the wheat amendment is disposed of, vote on the feed grain amendment, using the time in between now and that time for general discussion of these matters?

Mr. AIKEN. Just as a general discussion now with reference to such an agreement?

Mr. HUMPHREY. I merely wish to toss this out, because I know the majority leader has said that he wants very much to come to this kind of agreement, because it is a more orderly procedure to follow.

Mr. MUNDT. I may say that such an arrangement would be within the realm of reasonableness so far as I am concerned.

Mr. HUMPHREY. Such an agreement would not cover the other amendments, such as the one in which the Senator from Vermont is very keenly interested. We would have to discuss this matter separately.

Mr. MUNDT. They should be incorporated in one unanimous-consent request.

Mr. HUMPHREY. Yes.

Mr. AIKEN. We should achieve an orderly method, such as the one suggested by the Senator from Minnesota. Of course, I am in no position to agree at this time. In fact, I have no authority to agree, anyway. The people who are concerned should have an opportunity to prepare their arguments if they have any, and alert their people at home. That would mean at least 24 hours in which to make known the contents of these amendments to the people who are most concerned.

Mr. HUMPHREY. I agree with the Senator.

Mr. AIKEN. After that, possibly before tomorrow night, we might take up the question with the majority leader and the minority leader as to when we might start to vote.

Mr. HUMPHREY. My only purpose in making the suggestion is to get some thinking about it tomorrow, after our colleagues have read the RECORD. The

sooner we can come to an agreement, the more we could guide the debate so that there would be an equitable sharing of the time.

Mr. AIKEN. I was a little bit upset at the number of calls that have been made and the persons I have seen around on the Hill. I do not want anyone to think that it was all settled and that we might as well vote.

Mr. HUMPHREY. The Senator is right. When one steps out into the hall he gets buffeted both ways.

Mr. AIKEN. Yes.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield?

Mrs. NEUBERGER. I am glad to yield to the Senator from New York.

Mr. JAVITS. I should like to make the point that if the Senator from Minnesota could fix the time for voting at either 2 or 3 o'clock, it would suit me much better. The hour of 2:30 happens to be very bad for me. I make that as a personal request.

Mr. MUNDT. I would suggest that the Senator from Minnesota confer with the majority leader and consider coming before the Senate after a quorum call later this afternoon, to see if we can finalize the unanimous-consent agreement.

Mr. HUMPHREY. I appreciate that statement very much.

Mrs. NEUBERGER. Mr. President, the Senator from Vermont commented that we had run out of speakers. It did not seem that way to the Senator from Oregon.

Mr. AIKEN. I might say that I had prepared my extemporaneous remarks before I knew that the Senator from Oregon was going to speak.

Mrs. NEUBERGER. All joking aside, I have enjoyed the exchange which I have been privileged to hear, because the Senator from Oregon had a different reason, perhaps, from that expressed by the Senators who have spoken, for hoping that we would not come to a precipitate vote on the farm program.

Mr. President, it is the custom of the Senate to listen to the report of the committee which has deliberated upon the bill for as long as our committee has deliberated on the pending bill, and which has listened to the testimony, both pro and con, from all the organizations and groups involved, and to accept the report of the committee.

I am glad that we will have time to discuss the bill on the floor, because I believe that particularly those Senators who represent large urban areas should not take the report of the Committee on Agriculture and Forestry at face value, but should consider some other aspects of the bill.

Therefore I believe we have come to an agreement that we will proceed in an orderly fashion. There never was any intention to do a snow job or to have a precipitate vote on the bill. I wish to comment particularly on a few facts with respect to the cost of the program.

If we exclude the costs of war from the national budget—the costs of past wars and the expense of preventing future wars—the largest remaining budgetary item is agriculture. Next year, our agricultural programs will con-

sume \$5,836 million—\$4,585 million for price supports alone.

During each congressional campaign there comes a moment when the candidate speaks out on the farm problem. To the accompaniment of rousing cheers, he delivers one of several traditional farm slogans—slogans with a full sound but a hollow meaning: "Let's Get the Government Out of the Farm Business," or "I Want To Help the Little Farmer."

And as the mouthing of slogans continues, the price of our farm program mounts ominously and omnivorously.

President Kennedy and Secretary Freeman have proposed rational permanent farm legislation—legislation as fair to the consumer and the taxpayer as to the farmer. The administration offered the farmer supports adequate to maintain farm income at past levels, and asked only that the farmer accept the conditions dictated by realism.

The administration offered the farmer a choice: "Tell the Government to get out of the farm business and we will get out—but if you want supports, accept the necessary controls."

Yet the very critics who vigorously call for the elimination of Government intervention in the farm market fought just as vigorously in committee to retain existing programs. As a result, the committee bill has been stripped of adequate controls.

Voluntary programs can no more serve to reduce our farm surpluses than traffic lights without policemen could serve to generate traffic safety.

Voluntary programs tend to accentuate the upward trend in yields. Not only would cooperators attempt to make higher yields per acre; so would noncooperators as the price situation improved. With ability to stay out of the program 1 year and participate the next, producers can obtain the benefits of regular crop rotation—with pay.

Inability to require cross-compliance as a condition for price-support eligibility under a voluntary program places a definite handicap on the successful administration of other commodity programs. This is particularly true as between wheat and feed grains, but also applies to other allotment crops.

In addition to the hazards of emergency program continuation, the bill as reported by the committee has others—one of them connected with wheat. As now written, the bill would give farmers a choice in the wheat referendum, a choice they cannot fully understand.

Two choices would be offered to producers. One would be the program long in effect, as modified for the 1962 crop. It involves a reduced acreage allotment and voluntary land retirement. The other would be the wheat certificate program proposed by the President this year—a program similar in many respects to those advocated for years by the National Association of Wheat Growers, National Grange, and National Farmers Union.

If a majority of farmers chose the certificate plan, it would become a permanent wheat program. If a majority favored the 1962 program, it would be in effect for the 1963 crop.

But these are not the only choices farmers would have to make next summer. They would also vote on establishment of marketing quotas—the usual choice in wheat referendums. A two-thirds vote would be required to put marketing quotas into effect under either of the two programs. The trouble is, when a farmer is asked whether or not he favors marketing quotas for the 1963 crop, he does not know whether he is voting for marketing quotas under the certificate plan or under the emergency program. This is an impossible choice on short notice.

Congress should—Congress must—decide now on the permanent wheat program. We must consider not only the interests of producers, but the interests of the taxpaying public, as well. The emergency wheat program in effect this year is costly and cumbersome. Diversion payments to farmers for reducing plantings under the 1962 program will run between \$325 and \$350 million. Diversion payments under the proposed certificate plan would fall somewhere between \$200 and \$250 million. Further, the certificate plan will provide wheat growers with flexibility they have seldom had in planning farm operations of recent years. It would permit them to grow wheat on their feed grain acreage allotments. This cannot be done under the present program and could not be done in 1963 under an extension of the 1962 emergency program.

Like the certificate program for wheat, the acceptance of a mandatory program for feed grains will result in substantially smaller budgetary expenditures than a voluntary program, and still accomplish desired results. This is due to two of the advantages of the mandatory over the voluntary program: First, the amount of payments for land diversion will not be as large; second, it would not be possible for increases in planted acreage by nonparticipants to offset any of the reductions made by participants. This applies to dairy as well as to feed grains. I believe that farmers should be made to choose between controls and price supports, and nothing.

Payments for diversion of acreage under the program provided by the Food and Agriculture Act of 1962 are estimated for the marketing year for the 1963 crop to be possibly less than half of those required for the 1962 marketing year under the emergency, voluntary program. Depending on the support prices established, and the extent to which use is made of the grazing privilege in return for no diversion payment, estimated payments under a mandatory 1963 program will amount to between \$400 and \$500 million. This contrasts with payments in the neighborhood of more than \$800 million under the 1962 emergency program.

The absence, under a mandatory program, of feed grains produced on expanded acreages by noncooperators would decrease the quantity placed under loan and acquired by Commodity Credit Corporation below that which would occur under a voluntary program. This cut in CCC acquisitions would result in a large reduction in the net acquisition

cost for 1963-crop feed grains from the 1962-crop figure.

Other items of current expenditure would be approximately the same under either a mandatory or voluntary program. However, there would be a slightly greater decrease in carrying charges under a mandatory than a voluntary program due to smaller amounts placed under loan or acquired.

Thus, a mandatory feed grains program would result in substantially less impact on the budget while at the same time accomplishing at least as great a reduction in carryover stocks with the resultant large savings in carrying charges over a long period of years ahead.

Mr. President, in the general welfare, I remind the Senate of the President's request for a comprehensive, long-range program to replace the present patchwork of short-run emergency measures.

Mr. President, I wish to comment especially on the fate of the dairy program, because in the committee I was one who voted to retain the \$3.40 a hundredweight support price, even though I knew our storage supplies were being built up. I did so because I felt that a cutback to \$3.11 would only reduce the income of the farmer and would not result in any benefit to the consumer, who would see no change in the price of a quart of milk, and thereby would benefit only the middleman.

However, I believe the report of the Department of Agriculture with respect to the storage of dairy supplies should give us all pause for thought. Storage space for butter is an urgent problem. The Department of Agriculture says it now has 310 million pounds of butter in storage and expects to have more than 500 million pounds in storage by the end of the present dairy year, next March 31. The Department of Agriculture is now having to ship butter out of producing areas in order to find refrigerated storage. This means backhauling for packaging before the butter can be distributed on school lunch and relief programs, thus entailing more Government expense.

The Department of Agriculture is making an analysis of storage space for the long pull. If the dairy program continues as now, the question will arise as to whether the Government will have to pay for building more refrigerated storage. This lends urgency to the dairy situation. Failing this year, the administration will push for showdown action on dairy price supports next year. I say let us save the expense of storing several million pounds of butter and milk by adopting an amendment to the farm bill.

The Department of Agriculture is moving all the surplus butter it can. It is interesting to learn that people on relief are getting more butter than are the cash customers. A person on relief is getting about 12 pounds of butter as compared with 6 pounds for a person who buys for cash.

Mr. President, the time has come to adopt a realistic Food and Agriculture Act of 1962. Let us accept the responsibility for a meaningful choice and give

farmers the opportunity to chart a course of action which will enable them and consumers alike to live equitably with abundance.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the text of a resolution I have received from a number of farm organizations, expressing their opinion of the proposed Agriculture Act.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATIVE MESSAGE CONCERNING AGRICULTURAL ACT OF 1962

To Members of the U.S. Senate:

Passage of the Food and Agriculture Act of 1962 as reported by the Senate Agriculture Committee would be a step toward the development of a farm program that will lead to a sound agriculture economy.

Its enactment would strengthen farm income and curb the cost to the Federal government.

However, to further these goals, the following amendments are needed:

1. Reinstate more realistic choices in the wheat referendum.

2. Replace the temporary extension of the feed grain program with permanent program.

3. Reinstate the provision that would allow wheat to be grown on feed grain acres or feed grain on wheat acres.

We respectfully request your support of the Food and Agricultural Act of 1962 with these amendments.

NATIONAL GRANGE.
NATIONAL FARMERS UNION.
NATIONAL ASSOCIATION OF
WHEAT GROWERS.
MISSOURI FARMERS ASSOCIATION.
NATIONAL FARMERS ORGANIZATION.

Mr. ELLENDER. Mr. President, on May 21, I received from the Secretary of Agriculture a letter in which he analyzes the two amendments I have offered, and indicates the difference between the cost of reinstating the old program and the cost of proceeding under the new program.

The administration's long-range program for 1963 would cost, for feed grains, \$644 million, as compared with the cost of \$1,200 million if the 1961-62 program were extended. In so far as wheat is concerned, the cost under the administration's long-range program is estimated at \$1,188 million, in contrast to a cost of \$1,217 million for the emergency law now in effect, if it is merely extended.

Mr. President, I ask unanimous consent to have the letter and the attached data printed at this point in the RECORD, as part of my remarks.

There being no objection, the letter and tables were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, May 21, 1962.

HON. ALLEN J. ELLENDER,
U.S. Senate.

DEAR MR. CHAIRMAN: At your request I have considered the amendments you propose to S. 3225, as reported by the Senate Committee on April 27, 1962. I believe the amendments to title III, subtitle A and B would be of enormous consequence to American agriculture, to farmers, to the consumers of food and to taxpayers. They reconstitute the legislation more nearly as you intro-

duced it in the Congress at the request of the administration on February 2, 1962.

These amendments would provide for a long-range feed grain supply management program in which all producers would participate, if, in a democratic referendum, they chose to do so; and a choice for wheat producers between a wheat program of a permanent nature or no supply adjustment just as the referendum in the feed grain amendment and in existing programs for tobacco and other commodities.

The long-range feed grain amendment will cost the Government about \$4 billion less over the next 4 crop years than extension of emergency programs as proposed in S. 3225.

Government cost of alternative programs for 1963 crops
[In millions]

	Feed grains	Wheat	Feed grains and wheat
Long-range program.....	\$644	\$1,188	\$1,832
Extension of 1961-62 emergency programs.....	1,200	1,217	2,417
Return to 1960 programs.....	1,372	1,465	2,837

The long-range program will reduce surpluses at far lower cost because all producers would participate to bring production in line with needs. Diversion payments under the long-range amendments would be far lower than with the temporary programs.

Diversion payments under alternative programs
[In millions]

	1963 crop	1963-66 crops
Long-range program.....	\$750	\$1,825
Voluntary programs (S. 3225).....	1,245	4,980
Difference.....	495	3,155

In addition to lower costs and faster surplus reduction, farm income will be increased, benefiting the total population by bringing more money into the economic bloodstream of the Nation. Consumer prices for food—stable during the past year—would not increase.

The amendment on the wheat referendum is clearly needed since the voting provision now in S. 3225 would place the responsibility of choosing a wheat program on the shoulders of the wheatgrowers when such responsibility, I believe, should be borne by the administration and the Congress. The decision which should be placed before the wheatgrowers is whether they desire a supply adjustment program with adequate supports or unlimited production with limited supports. Further considerations on this subject are contained in the attached memorandum.

In view of these facts I strongly concur in your amendments and believe they deserve the full support of all who are interested in a realistic and meaningful farm program:

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

MEMORANDUM ON S. 3225

The farm programs of the 1950's cost far too much, and they left larger carryovers which committed the Government to continued high costs. Total budget expenditures for all programs administered by the Department of Agriculture rose from \$2.9 billion in the fiscal year 1954 to \$7.1 billion

in 1959, and to \$7.2 billion in the current fiscal year, largely because of price support, acreage diversion, storage, and surplus disposal outlays occasioned by excessive production of major farm commodities. Carrying charges alone on wheat and feed grains mounted to \$900 million annually in 1961.

A steady increase in budget expenditures was certain to occur if the pre-1961 programs had been continued for 1961 and 1962 crops. If such programs were again effective beginning with 1963 crops, carryover stocks would increase by the end of the 1966 marketing year to about 4.3 billion bushels of corn and grain sorghums and 2.1 billion bushels of wheat. Annual CCC expenditures for carrying charges on these three grains would exceed \$1¼ billion by the fiscal year 1967.

In contrast, the long-range programs would reduce CCC stocks of corn and grain sorghum to about 1.1 billion bushels and wheat stocks to about 655 million bushels during the same period. Carrying charges on the three grains would be reduced to \$280 million annually by the 1967 fiscal year—nearly \$1 billion less than if the old programs were to operate again.

The 1961-62 emergency feed grain program and the 1962 wheat program have reduced costs compared with a continuation of 1960 programs. But they are responsible programs only as temporary expedients. They were clearly better—for farmers and for taxpayers—than the programs in effect prior to 1961. But they are costly, and their results are uncertain compared with the long-range programs proposed.

Two key amendments to S. 3225 are needed to assure producers of good farm programs and taxpayers of materially lower Government costs.

1. The 1-year extension of the 1962 feed grain program should be replaced by the permanent, mandatory program about as recommended by the President and as considered by the Senate committee, possibly with some minor amendments.

2. The wheat marketing certificate program should be adopted, and the referendum choice between a 2-year extension of the temporary 1962 wheat program, and the marketing certificate program, should be deleted.

REASONS FOR THE AMENDMENTS

1. The voluntary programs are too costly.

(a) The additional cost to the Government of operating the voluntary feed grain and wheat programs in S. 3225 for the 1963 crops, compared with the long-range programs, would be about \$600 million (table 1).

(b) If the voluntary programs were extended further, through the 1966 crops, the cumulative additional cost would be about \$4 billion. This amount is equal to the average yearly Federal income tax payments of nearly

5 million taxpayers; would build 27,000 miles of modern highways; would complete 4,000 watershed projects.

(c) Future budget savings, associated with avoiding new acquisitions of grain and with stock reduction, are far higher under the long-range programs than under the temporary programs (table 2).

(d) Diversion payments alone would be half a billion dollars less in 1963, and more than \$3 billion less for 4 crop years, than with the voluntary programs (table 3).

2. The voluntary programs provide no assurance that stocks will be reduced. In the voluntary feed grain program, noncooperators offset much of the acreage reduction made by cooperators. In 1961, noncooperators increased their plantings by 6 to 7 million acres, offsetting about one-fourth of the acreage reduction diverted and paid for on farms of cooperators. In the voluntary wheat program, smaller carryovers depend on acreage diversion beyond the mandatory 10 percent reduction from 1961 allotments. In both programs, farmer participation is uncertain, and is dependent on crop conditions.

3. The mandatory feed grain program is fair to farmers and the public. It would provide producers a reasonable choice—between good prices and incomes with production restrictions and no production restrictions and low price supports.

(a) Producers of cotton, tobacco, rice, wheat and peanuts make this choice nearly every year. Feed grain producers—like other producers—should have an opportunity to approve or reject their program in a referendum. The value of feed grain production plus diversion payments under the program in 1963 would be about \$6.6 billion. If the program were defeated in the referendum, so that price supports were at a level not higher than 50 percent of parity, the value of feed grain production would be less than two-thirds that level.

(b) Feed grain producers outside primary commercial feed grain areas would be largely exempt. From two-thirds to around 90 percent of the producers in most of the States in the Southeast and the Northeast could be exempt from the program because they would have allotments smaller than 25 acres (table 7). Even in States like Wisconsin and Michigan, a sizable percentage of farms could be exempt from the program because their acreages are small. Producers who chose to be exempt could not vote in the referendum.

If all of these producers eligible, chose to be exempt and to plant their 1959-60 acreages, feed grain output would not be increased materially, since so little total acreage is involved. No one can predict how many of the eligible producers would

like to be exempt. But surely those producers with small acreages who elected to be subject to the program could be expected to vote in favor of it in the referendum.

(c) Many feed grain producers also have cotton or tobacco allotments. They vote to adopt a program for these crops by 90 to 95 percent majorities each year, because they know the value of a program in which all producers participate.

4. Further reasons for amendments to the wheat section of S. 3225. S. 3225 would provide a choice between a 2-year extension of a familiar program and permanent adoption of the marketing certificate program, which has not been in effect before.

The main fault is that it would provide a possibility of producers choosing a costly program, while turning down the less costly, more flexible certificate program.

The central advantage of the marketing certificate program over the price support program now in effect, apart from lower cost to the Government, is greater flexibility for farmers. The marketing certificates make it possible to limit the price support obligation of the Federal Government. They provide a means of distinguishing between wheat for food and export to be supported at the higher price, and wheat for feed, or for export without a subsidy cost to the Government.

The certificates provide, therefore, a practical means for continuing an attractive price support permanently on wheat consumed for food, and of keeping the door open for reducing the subsidy on exports gradually overtime.

The Secretary of Agriculture has indicated his intention of issuing marketing certificates in connection with the 1963 crop on about 925 million bushels—approximately 85 percent of the estimated national marketing quota. CCC stocks reduction under the marketing certificate program would be an estimated 170 million bushels, while it would amount to only about 100 million bushels under the voluntary program.

The provisions permitting wheat planted on feed grain allotments to be considered as a feed grain should also be reinstated in the Senate bill. This provision would:

(a) Provide farmers with much needed flexibility to produce wheat on feed grain allotments.

(b) Provide a larger supply of quality wheats from which millers and exporters could select their supplies.

(c) Not add to feed supplies, since wheat planted on feed grain acreage would displace other grains.

Detailed comparisons of program costs, ultimate savings, and returns to producers under the alternative programs are in attached tables.

TABLE 1.—Feed grains and wheat: Major elements of CCC costs by crop years

[In millions of dollars]

	1961		1962			
	With 1960 program	Emergency program	With 1960 program	With 1961-62 program	With long-range program	With cropland retirement program
Feed grains:						
Cost of acquisitions.....	880	865	750	932	123	107
Proceeds from dispositions.....	-379	-1,069	-300	-1,285	-550	-429
Export subsidies.....	46	52	45	52	54	23
Carrying charges and interest.....	593	505	710	419	335	335
Public Law 480, excluding export subsidies.....	186	186	167	182	182	167
Subtotal.....	1,326	539	1,372	300	144	203
Payments for land diversion.....		782		1,900	2,500	1,175
Total.....	1,326	1,321	1,372	1,200	644	1,378
Wheat:				1962 program		
Cost of acquisitions.....		375	592	153	100	138
Proceeds from dispositions.....		-417	-420	-454	-425	-547
Export subsidies.....		410	375	313	430	13
Carrying charges and interest.....		300	310	225	225	243
Public Law 480, excluding export subsidies.....		580	608	608	608	608
Subtotal.....		1,248	1,465	872	938	455
Payments for land diversion.....				1,345	2,250	4,705
Total.....		1,248	1,465	1,217	1,188	1,160

¹ Based upon an assumption that the price support would be \$1.20 per bushel for corn and \$1.80 per bushel for wheat. The Department of Agriculture has indicated only that the corn price-support level would be between \$1.20 and \$1.30 if the mandatory feed grain program were in effect in 1963, and that the wheat price-support would be about \$2 per bushel if the marketing certificate program were in effect.

² Diversion payments of \$500 million would be associated with \$1.20 per bushel price

supports for corn; payments of approximately \$400 million would be made if the price support level were at or near \$1.30 per bushel.

³ Payments of \$225 million in the wheat program have also been indicated in some reports.

⁴ Estimated total payments of \$1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

TABLE 2.—Feed grains and wheat: Estimated ultimate net savings from supply management programs compared with returning to 1960 programs

[In millions of dollars]

	1961, emergency program	1963			
		With 1960 program	With 1961-62 programs	With long-range program	With cropland retirement program
Feed grains:					
Acquisition costs avoided—net.....	353		341	376	376
Carrying costs and interest avoided.....	1,054		980	1,005	1,005
Diversion payments incurred.....	-782		-900	-500	-1,175
Additional administrative expense incurred.....	-42		-35	-37	-74
Net savings.....	583		386	844	132
Wheat:			1962 program		
Acquisition costs avoided, net.....			207	267	220
Carrying costs and interest avoided.....			335	450	374
Diversion payments incurred.....			-345	-250	-1,705
Additional administrative expense incurred.....			-13	-13	-42
Net savings.....			184	454	-153

¹ Estimated total payments of \$1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

TABLE 3.—Difference in cost to the Government of diversion payments under long-range proposal compared with continuation of 1962 voluntary feed grain and wheat programs under S. 3225 as reported Apr. 27, 1962

[In millions]

Crop and program	Wheat	Feed grains	Total	Crop and program	Wheat	Feed grains	Total
1963 crop:				1966 crop:			
Administration proposal.....	¹ \$250	² \$500	\$750	Administration proposal.....			
S. 3225.....	345	900	1,245	S. 3225.....	\$345	\$900	\$1,245
Difference.....	95	400	495	Difference.....	345	900	1,245
1964 crop:				1963-66 crops:			
Administration proposal.....	¹ 200	² 400	600	Administration proposal.....	625	1,200	1,825
S. 3225.....	345	900	1,245	S. 3225.....	1,380	3,600	4,980
Difference.....	145	500	645	Difference.....	755	2,400	3,155
1965 crop:							
Administration proposal.....	¹ 175	² 300	475				
S. 3225.....	345	900	1,245				
Difference.....	170	600	770				

¹ Diversion payments at approximately these levels would apply with the price support for certificate wheat at \$2 per bushel. The declining schedule of payments indicates a general policy position only, not a determination of the level of payments in future years.

² These payment rates would apply if the price support for corn was \$1.20 per bushel. If the corn price support were around \$1.30 per bushel, payments would range from approximately \$400 million to \$200 million from 1963 to 1965.

TABLE 4.—Feed grains: Estimates for various programs, by crop years

	1961		1963			
	With 1960 program	Emergency program	With 1960 program	With 1961-62 program	Long-range program	Cropland retirement program
Acreage (thousand acres):						
Diverted:						
Soil bank.....	13,943	13,943	12,029	12,029	12,029	12,029
Special programs.....		25,215		29,500	33,000	33,000
Harvested.....	124,100	106,763	125,100	105,800	101,500	98,000
Yield (tons per harvest acre).....		1.32		1.37	1.37	1.42
Supply (million tons):						
Beginning stocks.....	84.8	84.8	70.4	70.4	70.4	70.4
Production.....	163.0	140.6	166.0	144.6	139.1	139.2
Imports.....	.5	.5	1.0	1.0	1.0	1.0
Total supply.....	248.3	225.9	237.4	216.0	210.5	210.6
Utilization (million tons):						
Domestic.....	137.4	134.9	141.5	138.1	135.0	¹ 135.0
Export.....	13.3	13.3	14.0	14.0	14.0	14.0
Total use.....	150.7	148.2	155.5	152.0	149.0	149.0
Carryout (million tons).....	97.6	77.7	81.9	64.0	61.5	61.6
Increase (+) or decrease (—) in carryover during year (million tons).....	+12.8	—7.1	+11.5	—6.4	—8.9	—8.8
Payments for land diversion (million dollars).....		782		² 900	³ 500	⁴ 800
Season average price to farmers for corn.....	\$0.98	\$1.07	\$0.98	² \$1.07	³ \$1.23	\$1.13

¹ Assumes 3,000,000 more tons of wheat used for feed.² Estimates of diversion payments and average prices received by farmers are based upon an assumption that the price support in 1963 would be \$1.20 per bushel if the 1961-62 programs were extended. Since program costs would be more than 500,000,000 higher than under the mandatory program, the level of price support would have to be reviewed with a view to reducing program costs.³ Diversion payments and average prices received by farmers are based on an assumption that the support price would be around \$1.20 per bushel. The price support for corn in 1963 has not been set, but the Department has indicated that under the mandatory program it would be set between \$1.20 and \$1.30 per bushel.⁴ Represents only that part of 1,880,000,000 in payments which can be specifically ascribed to feed grain acreage.

TABLE 5.—Wheat: Estimates for various programs, by crop years

	1961 program	1963			
		With 1961 program	With 1962 program	Long range	Cropland retirement program
Acreage (thousand acres):					
Diverted:					
Soil bank.....	3,163	2,729	2,729	2,729	2,729
Special programs ¹			14,000	13,000	
Planted ¹	55,648	57,000	48,300	45,800	51,000
Harvested.....	51,620	53,500	43,100	40,600	47,000
Yield (bushels per acre).....	23.9	25.0	25.5	25.5	25.5
Supply (million bushels):					
Beginning stocks.....	1,412	1,295	1,295	1,295	1,295
Production.....	1,235	1,340	1,100	1,035	1,200
Imports.....	8	8	8	5	5
Total supply.....	2,655	2,643	2,403	2,335	2,500
Utilization (million bushels):					
Domestic.....	590	603	555	585	700
Export.....	685	625	625	625	625
Total use.....	1,275	1,228	1,210	1,210	1,325
Carryout (million bushels).....	1,380	1,415	1,193	1,125	1,175
Increase (+) or decrease (—) in carryover during year.....	—32	+120	—102	—170	—120
Payments for land diversion (million dollars).....			² 345	² 250	² 110
Season average price to farmers ⁴	\$1.84	\$1.75	² \$1.80	² \$2.05	\$1.35

¹ Estimates take into consideration "small farm" base acreages of about 6,000,000 acres under Administration proposal but about 11,000,000 acres under the 1962 program.² Diversion payments and average prices received by farmers are based upon an assumption that the 1963 price support for wheat would be \$1.80 if the 1962 wheat program were extended to the 1963 crop, but that the price support would be about \$2 if the marketing certificate program were in effect.³ Represents only that part of \$1,880,000,000 in total payments which can be specifically ascribed to wheat acreage. If all payments are prorated to wheat and feed grains, this becomes \$705,000,000.⁴ Feed and seed wheat value assumed to be \$1.40 per bushel, except under cropland retirement program.

TABLE 6.—Estimated value of production of wheat and feed grains under various programs, by crop years

	1961		1962			
	With 1960 program	Programs	With 1960 programs	With 1962 programs	Long-range programs	Cropland retirement program
Wheat:						
Season average price per bushel to farmers ¹		\$1.84	\$1.75	\$1.80	\$2.05	\$1.35
Value of production (millions) ¹		2,228	2,310	1,940	2,057	1,620
Payments for land diversion (millions).....				345	250	² 110
Total value plus payments (millions).....		2,228	2,310	2,285	2,307	1,730
Feed grains:						
Season average price to farmers for corn:						
Per bushel.....	\$0.98	1.07	0.98	1.07	1.23	1.13
Per ton.....	35.00	38.20	35.00	38.20	43.95	40.35
Value of production of all feed grains, basis price per ton of corn (millions).....	5,705	5,372	5,810	5,525	6,127	5,609
Payments for land diversion (millions).....		782		900	500	² 800
Total value plus payments.....	5,705	6,154	5,810	6,425	6,627	6,409

¹ Wheat used for feed and seed is computed at \$1.40 per bushel except for the cropland retirement program.

² Represents only that part of \$1,880,000,000 on total payments which can be ascribed specifically to wheat or feed grain acreage. The remainder would apply to land diverted from other crops.

TABLE 7.—Feed grains: Estimated applicability of 25-acre exemption under the provisions of the administration feed grain program ¹

State	Estimated number of farms with bases of 25 acres or less ²	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousands)	Acreage on exempt farms as percent of total acreage	State	Estimated number of farms with bases of 25 acres or less ²	Percentage of farms with 25-acre base or less	Feed grain acreage represented by farms with 25 acres or less (thousands)	Acreage on exempt farms as percent of total acreage
Maine.....	1,079	96	8.5	81	North Carolina.....	128,926	88	1,059.6	54
New Hampshire.....	906	93	8.1	74	South Carolina.....	50,241	87	426.4	51
Vermont.....	3,482	90	37.1	69	Georgia.....	45,508	60	453.4	17
Massachusetts.....	1,684	88	17.4	61	Florida.....	6,079	51	69.0	12
Rhode Island.....	240	83	3.0	54	Kentucky.....	82,526	82	686.4	40
Connecticut.....	1,802	85	21.9	58	Tennessee.....	79,944	82	661.9	43
New York.....	31,045	81	319.8	49	Alabama.....	62,844	73	642.9	31
New Jersey.....	3,608	64	44.9	26	Mississippi.....	82,176	89	722.1	58
Pennsylvania.....	56,586	81	857.2	69	Arkansas.....	31,121	91	210.7	57
Ohio.....	57,907	55	649.2	17	Louisiana.....	31,061	91	259.2	56
Indiana.....	39,056	39	476.1	9	Oklahoma.....	9,131	34	61.1	7
Illinois.....	25,749	20	296.4	3	Texas.....	28,442	36	264.1	4
Michigan.....	45,283	63	545.0	26	Montana.....	3,899	25	59.3	3
Wisconsin.....	64,528	61	796.0	28	Idaho.....	4,937	54	58.7	10
Minnesota.....	28,001	25	357.6	5	Wyoming.....	1,098	39	13.2	10
Iowa.....	18,164	12	236.8	2	Colorado.....	390	10	3.0	1
Missouri.....	46,584	48	512.5	12	New Mexico.....	474	26	5.8	3
North Dakota.....	2,375	6	31.7	1	Arizona.....	301	23	2.3	2
South Dakota.....	2,872	7	22.4	1	Utah.....	5,538	70	53.6	30
Nebraska.....	4,231	6	52.4	1	Nevada.....	216	54	2.3	15
Kansas.....	16,690	24	173.5	4	Washington.....	2,334	35	21.9	3
Delaware.....	1,840	50	22.3	14	Oregon.....	4,734	53	48.7	10
Maryland.....	11,099	66	113.9	23	California.....	1,352	18	22.6	1
Virginia.....	56,386	89	463.4	59					
West Virginia.....	20,063	96	101.3	75	United States.....	1,204,532	54	11,976.5	12

¹ The exemption applies to base acreage in H.R. 11222 and to acreage allotments in the section which was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

² Includes corn, grain sorghums and barley. If oats is included, as in H.R. 11222, the number and percentage of farms would be smaller in most States.

Mr. ELLENDER. I also ask unanimous consent to have printed in the RECORD a letter and attached tabulations from the Secretary of Agriculture to the Senator from Wisconsin [Mr. PROXMIRE].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: This is in reply to your letter of May 11 in which you raised some questions about pending feed grain legislation. I appreciate your concern over the merits of the program of the administration, but I cannot agree with your analysis of the results of that program.

You cited two main problems in connection with the administration's feed grain program compared with an extension of the existing voluntary program:

1. You believe that farmers would turn the administration program down in a referendum this year, and therefore, that it ought not be passed now;

2. You believe the existing voluntary program, with amendments, can be made materially less costly to the Government, and ought to be extended for a year.

Choice of the mandatory program would not prove to be "tragic" as you state, whether farmers approved the program in a referendum or not. Producers of cotton, tobacco, rice, and peanuts take the risk of a referendum each year. They vote—freely and democratically—for a program which supports farm income while protecting the Government against excessive costs, or a program which would virtually terminate production adjustment and price support operations in the particular commodity. The alternatives to providing producers an opportunity to choose a supply management program are continued excessively high costs to the public, or an end to effective price supports for feed grains.

I have great confidence in the judgment of American farmers. I believe that they would choose wisely between alternatives feed grain programs if they have the opportunity. Under the administration proposal, they can elect to reduce their plantings in order to continue good and stable prices, or they can elect to plant without limit and to take the very low market prices which must result. We may disagree with their choice if they reject the program, but we should not deny them the right to make it.

Your concern that the feed grain program would fail in the referendum is based primarily on the claim that producers in deficit areas would vote heavily against the program, thus denying the program to those producers most affected—in the Midwest and Plains. This claim ignores the fact that most of the producers who would vote are in the Midwest and Plains, and it goes against all experience in referendums for other commodities.

Two key facts stand out:

1. Most producers in the Southeast and Northeast, and up to half the producers in some Western States would have the option of continuing to plant their historic feed grain acreage, or to participate in the program in order to be eligible for price support, conservation payments, and to vote in the referendum.

2. Producers in deficit areas who either have larger acreages, or who voluntarily elect to participate with their small acreage, would have good reasons, based on their farm situation and on experience in other programs to favor the program.

There would be about 2.2 million farms with feed grain base acreage under the provisions of the mandatory program as considered but not approved by the Senate

committee, a program applicable to corn, barley, and sorghum. Of these farms, 1.2 million, or 54 percent, would be subject to the program only if they deliberately elected to participate (see attached table). They would be ineligible for price support, but would benefit materially from the price support program, and could harvest an acreage equal to their feed grain base acreage.

Some of these small producers would choose to be subject to the program, and would become eligible to vote in the referendum. Having elected to participate, they would surely vote for the program in the referendum. It is unbelievable that any substantial number of producers with small acreages would sign up to participate in a program from which they would otherwise be exempt, in order to vote "no" in the referendum.

Two immediate conclusions follow: (1) Most producers with small acreages will not vote in the referendum; (2) those who do, will vote "yes." Clearly, they must be in favor of the program in which they voluntarily decided to participate.

You expressed concern in your letter that producers outside the main feed grain producing areas would carry undue weight in any feed grain referendum. A tentative distribution of total feed grain farms is shown in the attached table, broken down by farms with over 25 acres, which could be exempt. Clearly, the bulk of the eligible voters in a referendum would be heavily concentrated in the Midwest and the Plains (col. 1 below).

	Percentage distribution of farms with more than 25 acres	Percentage distribution of eligible farms if 1/4 of farms with less than 25 acres chose to participate
Northeast (11 States)-----	3.0	4.4
Southeast (12 States)-----	15.7	24.3
Midwest (8 States)-----	52.7	47.2
Plains (7 States)-----	25.2	20.9
Mountain (10 States)-----	3.5	3.2

Together, eight Midwestern and Plains States which produce most of the corn, oats, and sorghum grain and a large share of the barley, would have about 78 percent of the voters certain to be eligible for the referendum.

If one-fourth of all producers with less than 25 acres of feed grains chose to participate, the Midwest and Plains would still have 68 percent of the eligible voters (column 2 above). And in this case, they would have the support of the producers in other areas who had voluntarily elected to participate and would probably vote almost solidly for the program. In the Southeast, up to one-third of the feed grain acreage will be diverted this year. Similar heavy voluntary participation by producers with small acreages under the mandatory program would add significantly to the prospects for a favorable vote in the referendum.

Further assistance in assuring a favorable vote in the feed grain referendum would result from the fact that many tobacco and cotton producers, who know the value of farm programs, would be voting. Similar overlapping of allotments will be found also in wheat areas, where referendum votes have had large majorities.

A factor often ignored is that even in feed-deficit areas, many producers sell all or a large part of the grain they produce. Like Corn Belt producers, they would be concerned with the effect on market prices of failure of the referendum. About half the corn grown in North Carolina and Georgia is sold from the farm; one-fourth to one-third of South Carolina, Kentucky, and Alabama corn is sold by farmers.

Relatively little of the barley produced in the West is fed on the farms where it is grown. About 90 percent of California production, three-fourths of Oregon and Washington production, and far the larger share of the barley produced in all major States, is marketed by producers. They would be concerned with barley prices in the event the program did not carry, just as they are concerned with wheat prices when they vote in the wheat referendum.

The same is true for sorghum grain. Nearly 90 percent of Texas production, and two-thirds or more of Kansas and Nebraska production is marketed. In most cases, it is marketed by a producer who votes "Yes" regularly in a cotton or a wheat referendum, because he knows the value of price support.

Your contention that a voluntary feed grain program could be made less costly to the Government by some amendments to the present program, if that were the only course of action open at this time, has little validity. If price support for all commodities were available only to those producers who participate in the feed grain program, and if other programs of the Department were limited to cooperators, no substantial additional incentive for participation or any large savings in costs would be realized. The primary incentive in a voluntary program must necessarily be payments offered by the Government. If the participation necessary to make a voluntary program effective is to be secured, Government costs could be reduced only nominally by requiring producers to participate in the feed grain program in order to get technical assistance, loans, and price supports for other commodities. Government payments must be reduced sharply and immediately. They cannot be continued indefinitely, as they must be under a voluntary program.

Compared with the nominal cost reductions which could possibly be made in the voluntary program, the mandatory program is expected to make it possible to reduce the payments to \$400 to \$500 million in the 1963 crop year—50 percent below present levels—and to terminate payments beginning with the 1966 crop. The difference in payments and other public costs, for extension of the voluntary feed grain program compared with the mandatory program would be approximately \$3 billion in only 4 years—1963 to 1966.

Your concern that if the feed grain program were rejected in the referendum this year, it would be rejected again in 1963 is not well grounded. The price support of \$1.20 per bushel for corn announced for the 1962 marketing year would support cash prices during part of the 1962 marketing year, even if there were to be a much lower price support in 1963. But the prospect of a large 1963 crop and a very low support level would put severe pressure on cash and futures prices in the spring and summer of 1963. Prices would be weak, and farmers would be expecting extremely low market prices in mid-summer 1963, when the second feed grain referendum would be held.

Your other proposal, to tie the wheat, feed grain, and possibly cotton and tobacco referendum votes together, so that a vote for one would be a vote for the other, might help somewhat, since it may blind some producers to a favorable feed grain vote who might otherwise oppose feed grains. But it would not be in keeping with the long precedent in producer referendums, and it would severely limit the freedom of choice of producers. Cotton, tobacco, wheat, rice, and peanut programs have passed dozens of referendums on their merits. The feed grains program can do the same.

You indicated also your support for the wheat marketing certificate program, although you coupled it with an extension of the voluntary feed grain program. The wheat program is very similar to the market-

ing certificate program approved by the Congress in 1956. It provides a better wheat program for producers and for taxpayers at the same time. The wheat program, however, simply does for wheat what we have proposed to do also for feed grains in the administration program. The two mandatory programs should be kept together.

I hope you will support efforts to amend S. 3225, to make it an effective instrument of the farm policy.

Sincerely yours,

ORVILLE L. FREEMAN.

Estimated distribution of feed grain farms in a mandatory program applicable to corn, sorghum grain, and barley¹

State and region	Estimated number of farms		
	Total	With 25 acres or less	With more than 25 acres
Northeast:			
Maine-----	1,126	1,079	47
New Hampshire-----	970	906	64
Vermont-----	3,878	3,482	396
Massachusetts-----	1,911	1,684	227
Rhode Island-----	291	240	51
Connecticut-----	2,114	1,802	312
New York-----	38,304	31,045	7,259
New Jersey-----	5,643	3,608	2,035
Pennsylvania-----	69,804	56,586	13,218
Delaware-----	3,694	1,840	1,854
Maryland-----	16,890	11,099	5,791
Total-----	144,625	113,371	31,254
Midwest:			
Ohio-----	105,817	57,907	47,910
Indiana-----	99,891	39,056	60,835
Illinois-----	132,133	25,749	106,384
Michigan-----	72,239	45,283	26,956
Wisconsin-----	105,809	64,528	41,281
Minnesota-----	112,305	28,001	84,304
Iowa-----	155,791	18,164	137,627
Missouri-----	97,771	46,584	51,187
Total-----	881,756	325,272	556,484
Plains:			
North Dakota-----	39,192	2,375	36,817
South Dakota-----	41,063	2,872	38,191
Nebraska-----	71,409	4,231	67,178
Kansas-----	69,186	16,090	52,496
Oklahoma-----	27,082	9,131	17,951
Texas-----	78,837	28,442	50,395
Colorado-----	3,869	1,098	2,771
Total-----	330,638	64,839	265,799
South and Southeast:			
Virginia-----	63,032	56,386	6,646
West Virginia-----	20,907	20,063	844
North Carolina-----	146,918	128,926	17,992
South Carolina-----	57,609	50,241	7,368
Georgia-----	75,293	45,508	29,785
Florida-----	11,905	6,079	5,826
Kentucky-----	101,117	82,526	18,591
Tennessee-----	96,965	79,944	17,021
Alabama-----	85,778	62,844	22,934
Mississippi-----	92,308	82,176	10,132
Arkansas-----	34,322	31,121	3,201
Louisiana-----	34,265	9,131	25,134
Total-----	820,469	654,945	165,524
West:			
Montana-----	15,638	3,899	11,739
Idaho-----	9,209	4,937	4,272
Wyoming-----	2,820	1,098	1,722
New Mexico-----	1,813	474	1,339
Arizona-----	1,297	301	996
Utah-----	7,912	5,538	2,374
Nevada-----	399	216	183
Washington-----	6,754	2,334	4,420
Oregon-----	8,862	4,734	4,128
California-----	7,658	1,352	6,306
Total-----	62,362	24,883	37,479
United States-----	2,239,850	1,183,310	1,056,540

¹ Based on rough estimates, since no comprehensive tabulation exists at this time, and could be made only when the program became effective.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a table from the Commodity Credit Corporation, which indicates the carrying charges—in

fact, all charges merely in order to handle the various commodities which that Corporation has on hand at the present time. For the fiscal year 1961, the total cost—which includes transportation, storage, interest and other carrying charges—is \$1,154 million; and 78 percent of that huge cost is attributable to wheat, corn, and other feed grains.

No matter what analysis is made, the plain fact is that the programs for the

feed grains and for wheat have been extremely costly.

Price support losses for corn alone since the beginning of the program amount to \$2,188,789,461. For wheat \$1,798,261,275 is the amount of price support losses, \$557,837,104 for export subsidies because the domestic price is higher than the world price, and if I remember correctly, over a billion dol-

lars for export subsidies under the International Wheat Agreement.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a tabulation showing carrying charges, including storage, handling, transportation and interest costs on Commodity Credit Corporation stocks for the fiscal year 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation carrying charges, resale loan payments, and imputed interest, fiscal year 1961

[In millions of dollars]

Item	Transportation cost	Storage handling cost	Other carrying charges	Total carrying charges	Imputed interest ¹	Total carrying charges and interest	Resale loan payments	Total carrying charges, interest, and resale payments	Allocation of loan collateral settlements to—		Adjusted total, carrying charges, interest, and resale loan payments
									Storage and handling	Resale loan payments	
Basic commodities:											
Corn	\$28.1	\$149.0		\$177.1	\$108.5	\$285.6	\$53.1	\$338.7	\$3.2	\$8.6	\$350.5
Cornmeal	(2)	(2)		(2)	.8	.8		.8			.8
Cotton, extra long staple	(2)	.3		.3	.6	.9		.9			.9
Cotton, upland	.3	22.6		22.9	36.1	59.0		59.0			59.0
Peanuts, farmers' stock	.1	1.4	\$1.5	3.0	.3	3.3		3.3			3.3
Peanuts, shelled	.4	1.1	1.7	3.2	.8	4.0		4.0			4.0
Peanut butter					.3	.3		.3			.3
Rice, milled	1.0	.5		1.5	1.9	3.4		3.4			3.4
Rice, rough	.3	1.9		2.2	.8	3.0		3.0			3.0
Tobacco					13.4	13.4		13.4			13.4
Wheat	92.9	176.4	(2)	269.3	112.6	381.9	14.3	396.2			396.2
Wheat flour	(2)	(2)		(2)	3.2	3.2		3.2			3.2
Total, basic	123.1	353.2	3.2	479.5	279.3	758.8	67.4	826.2	3.2	8.6	838.0
Mandatory nonbasic:											
Butter	1.0	2.3	1.8	5.1	3.6	8.7		8.7			8.7
Cheese	.1	.1	.2	.4	.3	.7		.7			.7
Milk, nonfat dry	6.8	2.0		8.8	1.8	10.6		10.6			10.6
Milk, fluid					1.0	1.0		1.0			1.0
Subtotal, dairy products	7.9	4.4	2.0	14.3	6.7	21.0		21.0			21.0
Honey		(2)		(2)	(2)	(2)		(2)			(2)
Barley	6.8	9.6		16.4	4.3	20.7	6.4	27.1			27.1
Oats	.8	1.3	.7	2.8	1.1	3.9	4.1	8.0			8.0
Rye	.9	.7		1.6	.4	2.0	(2)	2.0			2.0
Sorghums, grain	17.2	88.9		106.1	33.5	139.6	3.1	142.7	3.5	3.0	149.2
Tung oil	(2)	.1		.1	2.0	2.1		2.1			2.1
Total, mandatory nonbasic	33.6	105.0	2.7	141.3	48.0	189.3	13.6	202.9	3.5	3.0	209.4
Other nonbasic:											
Beans, dry edible	.6	.8	.4	1.8	.2	2.0		2.0			2.0
Flaxseed	(2)	(2)		(2)	(2)	(2)		(2)			(2)
Naval stores:											
Rosin					(2)	(2)		(2)			(2)
Turpentine		(2)		(2)	(2)	(2)		(2)			(2)
Soybeans	.1	1.3		1.4	1.2	2.6		2.6			2.6
Vegetable oils		.1		.1	.1	.2		.2			.2
Total, other nonbasic	.7	2.2	.4	3.3	1.5	4.8		4.8			4.8
Strategic and critical materials	6.7	1.7	1.1	9.5	1.4	10.9		10.9			10.9
Total, price support program	164.1	462.1	7.4	633.6	330.2	963.8	81.0	1,044.8	6.7	11.6	1,063.1
Storage facilities program					5.7	5.7		5.7			5.7
Supply and foreign purchase program	(2)	(2)		(2)		(2)		(2)			(2)
Special milk program					1.6	1.6		1.6			1.6
Administrative and nonadministrative expenses					2.9	2.9		2.9			2.9
Interest					13.2	13.2		13.2			13.2
CCC capital stock					3.5	3.5		3.5			3.5
Certificates held by banks					11.6	11.6		11.6			11.6
Public Law 480:											
Title I					43.8	43.8		43.8			43.8
Title II					2.5	2.5		2.5			2.5
International Wheat Agreement					1.8	1.8		1.8			1.8
National Wool Act					4.0	4.0		4.0			4.0
Loans to Secretary					.3	.3		.3			.3
Total, CCC	164.1	462.1	7.4	633.6	421.1	1,054.7	81.0	1,135.7	6.7	11.6	1,154.0

¹ Includes interest on prior years' unreimbursed losses.

² Less than \$50,000.

³ Wheat, corn, grain sorghum; 78 percent of this for carrying charges only; \$500,000,000 for corn and grain sorghum.

Source: USDA.

Mr. ELLENDER. Mr. President, earlier this afternoon we were discussing the costs of the present emergency feed-grain program as compared to the costs of the conservation reserve program which has been in effect since 1956.

Under the emergency feed-grain program the total cost amounted to \$825 million, of which \$43 million was for administrative costs and \$782 million for payments to farmers for diverted acres.

The payment to farmers was for the diversion of corn and grain sorghum acreage, and averaged \$31 per acre. The average payment per acre for all contracts under the conservation reserve program amounted to only \$11.85 per acre. However, the type land taken out of production under this program, generally, was less productive than that land taken out under the emergency feed-grain program.

This is adequately borne out by the payments for land diversion under the now expired acreage reserve program of the soil bank. Under that program the average payment amounted to \$31 per acre for the 50.7 million acres diverted from the production of crops.

In this connection, I would like to place in the RECORD at this point a table showing a multitude of facts concerning the so-called soil bank program.

There being no objection, the table is ordered to be printed in the RECORD, as follows:

Costs of the soil bank program		
Payments made to farmers through		
June 30, 1961:	Million	
Acreage reserve.....	\$1,549	
Conservation reserve.....	923	
Total.....	2,472	
Payments to be made to farmers after		
June 30, 1961, under outstanding		
conservation reserve contracts.....	1,755	
Total payments to end of pro-		
gram.....	4,227	
Per acre payments made on voluntary acre-		
age reserve		
Increase each year:	Per acre	
1956 program.....	\$21	
1957 program.....	29	
1958 program.....	41	
Average for aggregate of 50.7 million acres		
placed in reserve over 3-year period was \$31		
per acre.		
Payments on conservation reserve con-		
tracts to end of program (\$2,678 million on		
28.7 million acres) will average \$93 per acre.		
Cost of administering all soil bank		
programs:		
Through June 30, 1961, totaled.....	\$158.5	
Highest fiscal year cost was in		
1958.....	50	
Total soil bank cost to June 30, 1961		
(payments plus expenses).....	2,600	
Total cost to end of program (1971).....	4,400	
History of acreage reserve		
Corn acreage signed up:		
In 1956, 5.3 million acres—average of 16.9		
acres per agreement.		

In 1957, 5.2 million acres—average of 16.2 acres per agreement.

In 1958, 6.7 million acres—average of 18.7 acres per agreement.

Total of \$644.8 million spent on corn or an average of \$38 per acre.

Average rate per acre:	
1956.....	\$33.80
1957.....	37.53
1958.....	42.39

Maximum rates 1958 program:

Iowa.....	64.00
Illinois.....	69.00

Wheat acreage signed up:

In 1956, 5.7 million acres—average of 51.1 acres per agreement.

In 1957, 12.8 million acres—average of 54.9 acres per agreement.

In 1958, 5.3 million acres—average of 30.3 acres per agreement.

Total of \$377.0 million spent on wheat or an average of \$16 per acre.

Average rate per acre:	
1956.....	\$7.89
1957.....	18.06
1958.....	19.87

Maximum rates 1958 program:

Kansas.....	31.00
Washington.....	62.00

CONSERVATION RESERVE RENTAL RATES

The figure of \$11.85 per acre is frequently used as the cost of the conservation reserve program annual rental. This was the average for all contracts entered into during the life of the program (1956 through 1960).

However, on contracts signed up in the last 2 years of the program (19.3 million acres), the average was \$13.31 per acre.

In major corn-producing States the rates were considerably higher:

State	Rental rate	
	1960 contracts	1956-60 contracts
Iowa.....	\$18.70	\$18.12
Illinois.....	17.23	17.24
Indiana.....	18.42	18.40
Ohio.....	17.40	17.23
Minnesota.....	13.42	11.23
Nebraska.....	12.81	12.00
Missouri.....	14.94	14.14
Wisconsin.....	14.12	13.77

On all acres signed under the CRP, the total rental and conservation practice assistance paid under contracts to their expiration date will average \$93 per acre.

PUBLIC WORKS PROJECTS IN MINNESOTA, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, TENNESSEE, AND VIRGINIA

Mr. GRUENING. Mr. President, last Thursday, I stated my intention, when S. 2965 was considered, to propose an amendment increasing the amount authorized to be appropriated for an emergency program of public works. My amendment would increase the amount authorized to be appropriated to "the same amounts authorized to be appropriated for foreign economic as-

sistance under the provisions of sections 202—for the fiscal year 1963—212, 401, and 451 of the Foreign Assistance Act of 1961." This would increase the total authorized to be appropriated from \$600 million to \$2,645 million for a one-shot emergency program of public works aimed at getting back to work the unemployed in the 933 pockets of economic distress scattered across the Nation.

As I indicated in my remarks last Thursday, some of my colleagues on the Senate Public Works Committee expressed doubts as to whether the sum of \$2,645 million could be economically utilized. In order to allay these fears, I telegraphed the Governors of all the States, asking them to advise me of the amounts which can economically be expended in their States for public-works projects that can be completed in 27 months.

I reported, on Thursday, that I had heard from 12 States which indicated that more than \$1.5 billion could be utilized profitably in those States, alone.

Since then, I have received additional responses from the States of Minnesota, New Jersey, North Carolina, North Dakota, Tennessee, and Virginia, indicating they have ready public works projects to employ the unemployed in distressed areas, totaling at least an additional \$212 million, bringing to over \$1.7 billion the total, so far, from the 17 States having distressed areas which have responded.

In the areas suffering from prolonged high rates of unemployment, we must be prepared to act effectively, and now. Let it not be said of us that we responded with too little supplied too late to the pleas of the unemployed.

We have responded magnificently and with munificence to the pleas of the unemployed in the underdeveloped countries abroad. We cannot afford to be less generous with our own unemployed.

I ask unanimous consent that the additional replies referred to by me today be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
EXECUTIVE OFFICE,
St. Paul, Minn., May 18, 1962.

HON. ERNEST GRUENING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: This is in reply to your wire requesting a list of public works projects for distressed areas in Minnesota.

The results of a community survey, in the form of an itemized list of projects, are attached. I would appreciate being kept advised of developments.

Cordially yours,

ELMER L. ANDERSEN,
Governor.

Public sewage treatment projects needed in areas eligible for aid under Area Redevelopment Act¹

Place	County	Estimated cost	Grant requested under Public Law 87-88
Appalachia.....	Wise.....	\$244,000	
Arno.....	do.....	61,000	
Big Stone Gap ²	do.....	287,000	\$150,000
Cleveland.....	Russell.....	89,000	
Clintwood ²	Dickenson.....	147,000	68,700
Coeburn ²	Wise.....	768,000	35,010
Derby.....	do.....	54,000	
Deel.....	Buchanan.....	89,000	
Dorchester.....	Wise.....	134,000	
East Stone Gap.....	do.....	134,000	
Gate City ²	Scott.....	198,000	98,162
Grundy.....	Buchanan.....	108,000	
Honaker.....	Russell.....	89,000	
Hurley.....	Buchanan.....	37,000	
Independence ²	Grayson.....	89,000	119,400
Jonesville.....	Lee.....	89,000	
Norton ²	City.....	328,000	163,800
Pennington Gap ²	Lee.....	147,000	57,065
Scottsville.....	Fluvanna.....	(?)	16,767
Weber City ²	Scott.....	(?)	93,811
Wise ²	Wise.....	(?)	53,010
Total.....		2,612,000	

¹ The costs listed above are for sewage treatment facilities only. In most of these communities additional expenditures are needed for construction of sewage collection systems.

² Requests for grants under Public Law 87-88 (Federal Water Pollution Control Act) have been filed from these localities with the State water control board in the amounts listed.

MAY 18, 1962.

WATER SUPPLY IMPROVEMENTS URGENTLY NEEDED FOR MUNICIPALLY OWNED SYSTEMS IN FOLLOWING COUNTIES

Buchanan County, town of Grundy: Additional source, treatment, distribution mains, and storage.

Carroll County, Galax: Town already has under construction project to bring system up to needs.

Dickenson County, Clintwood: New source of supply, pumping stations, force main, modernization of filter plant, distribution mains, and storage.

Grayson County, Independence: Additional source, distribution mains, and storage.

Lee County:

Jonesville: Additional source, treatment, pump station, force main, distribution mains, and storage, \$150,000.

Pennington Gap: New source, purification plant, force main, distribution mains, and storage, \$434,000.

Russell County:

Honaker: Distribution mains and storage. Lebanon: Additional source, treatment, mains, and storage.

Cleveland: New source, purification plant, mains, and storage.

Scott County:

Dungannon: Additional source, treatment, force main, and pump station, mains, and storage.

Gate City: Additional mains and storage.

Nickelsville: Additional source, treatment, mains, and storage.

Weber City Sanitation District: Addition to filter plant, additional mains, and storage.

Wise County (\$388,000):

Big Stone Gap: New filter plant, additional mains, and storage.

Coeburn: New source, filter plant, pump station, force main, distribution mains, and storage, \$452,812; alternate, \$283,820.

Norton: Enlargement of filter plant, distribution mains, and storage.

Pound: Additional source, treatment, transmission main, distribution mains, and storage.

St. Paul: New filtration plant, distribution mains, and storage, \$250,000.

Wise: New source, filtration plant, force main, distribution mains, and storage.

Cumberland County and Fluvanna County: No municipal or county owned water supplies in these counties.

(NOTE.—Where cost figures are given, these were taken from consulting engineers' preliminary report and estimate.)

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MUNDT. Mr. President, as I believe is now generally understood by Members of the Senate, later today there will be submitted a request for unanimous consent that voting on the amendments to the bill shall begin, following reasonable debate, on Thursday, in the expectation that the Senate can conclude its action on the bill on Friday. Certainly that will be a satisfactory schedule, insofar as I am concerned.

When we have finalized that proposed agreement, and when the attention of the Senate is immediately directed to the amendment now at the desk, I expect to discuss with greater emphasis and greater elaboration than I shall now the reasons why I believe the Ellender amendment should be rejected.

But at this time, before we come to discuss the particulars of the amendment, I wish the RECORD to show that I believe that, on the whole, the Senate Committee on Agriculture and Forestry did a very constructive piece of work, this year, in its handling of the so-called Kennedy-Freeman farm bill. It came to us with a determined effort on the part of the administration to extract from the farmers and from Congress the authority and the power of self-determination, and to delegate to the Department of Agriculture the control of agriculture. To me, that would be manifestly unwise. To me, it would be unwise, in the first place, because I believe the job of the Department of Agri-

culture has already become so colossal and its responsibilities already have become so great that failures and cracks in the structure are becoming apparent to all Americans—so much so, that even if we take the very kindest attitude toward what is wrong, toward developments which have led to instances such as the Estes scandal, for example, the kindest comment which could be made would be that the octopus of the Department of Agriculture has become so large that it is impossible for men who have good intentions to properly police and control and operate the Department prudently, honestly, and wisely.

Because, Mr. President, I like human beings generally, I dare hope that when our investigation is concluded, we shall arrive at that conclusion. However, the conclusion actually to be reached may be altogether different. Moreover, Senators may be sure that the McClellan committee will follow the facts, regardless of where they may lead; and if, instead of the reasons I have attributed for this collapse of administration, it develops that there are other reasons, much less savory and much more undesirable, certainly our committee will expose them, and the public will learn of them, and the necessary corrective steps will be taken.

At any rate, Mr. President, I doubt that anyone will deny that a prodigious job has been assigned to the Department of Agriculture, from the standpoint of the authority it is now attempting to exercise, in the area of farm legislation; and if we were to add to those great burdens and problems the power and the controls and the decisions originally called for by the Kennedy-Freeman bill—which I presume was written by Dr. Cochrane, although at least we have to attribute it to those who have presented it and who have approved it—we would be expanding the authority of the Department of Agriculture so greatly that the cases—including that of Billie Sol Estes—which now are attracting the attention of the country would be increased immeasurably.

Mr. President, we must take steps to see to it that the people working on the farms will receive a fair price for a full crop; and we must solve the surplus problems to such an extent that they will not be burdens on the market and will not cause the commodities to sell for less than a parity price.

So, Mr. President, although I must disagree, as regards some features of the bill and the amendments, with the distinguished Chairman of the committee, nevertheless I believe that, in the main, the committee did a constructive job in proceeding to remove from the bill most of the provisions which would have provided additional amounts of authority and power for the bureaucrats and additional areas in which determinations would be made by the bureaucrats, instead of by those who are actively engaged in the farming business.

I think it is good to know that, while title 1, in my opinion, still has some deficiencies, we have improved it tremendously. As I recall, we improved it with the support of the Chairman. I am not sure. I am not trying to say we did it or not with his approval. But we

improved it, because we took away the requested right of the Department of Agriculture, if you please, to dispossess any or every farmer in America from the land he owns and tell him he has to move off, and sell out, at a price to be determined by a board of arbitration, whether he desires to continue to be a land-owning farmer or not. That provision has been eliminated from the bill.

We are talking about a farm problem we have had before us for a long time, and I think we have made some progress in the direction of solving it.

I fail to see the validity in the argument of the Department of Agriculture which now seeks to disclaim the program which it supported just a year ago. When it supported the feed grains program, it made a lot of attractive predictions as to what would occur. They did not all occur to the extent the prophets indicated, but some progress was made in reducing surpluses in this country, without reducing the prices and income received by the farmers.

I notice the Wall Street Journal for today, for example, points out that the storage of grains must be down to less than 1 billion bushels, because it states that we had 1,800 million bushels in storage in 1960 and that over 800 million bushels were sold since October 1, 1961.

That is progress. That is moving in the right direction. It is moving in the right direction without giving bureaucrats the right to whiplash every farmer to be in compliance with a bureaucratic order.

If we were to adopt the amendment, which I feel sure the chairman of the committee is disposed to introduce and support, for a compulsory feed grains program that will take away the latitude and freedom on the part of the farmers, it would put the bureaucrats in Washington in control. I hope we reject that proposal. When it comes time to offer it, I shall discuss the amendment in specific detail at that time.

May I point out also that, according to the Department of Agriculture publication of April 30, the signup for the feed grains program to divert over 29 million acres from corn and grain sorghums has been completed. This exceeds by about 3 million acres the 26 million acres-plus which were voluntarily signed into retirement a year ago.

That is also progress.

Also, we are told, 6½ million acres of sorghums have been diverted, and 3½ million acres of barley production have been diverted.

Our committee, which reported the bill, proposes to continue and improve the programs which are beginning to operate, and to resist any attempt to displace them and substitute for them a complete program of controls and directives from the Department of Agriculture, under a compulsory piece of legislation.

With regard to corn, I hold in my hand the commodity page of today's issue of the Wall Street Journal, which points out that—

Buying of corn was sparked by the reduced volume of corn held by the Government, lighter receipts, and a strong cash market. In the week ended May 11 the

Government sold 12,786,000 bushels of corn for domestic use and export. This brought total Government sales of corn for the season that started October 1, 1961, to 818,726,000 bushels, up from 184,788,000 bushels in the like period a year ago. In recent weeks sales of corn by the Government have exceeded 20 million bushels weekly.

This is also progress in the direction of decreasing the problem of surpluses. This is also progress in the direction of coming to a long-term solution of the farm problem. It, too, was done without any compulsion, without any coercion, without forcing the farmers of America to abandon their freedom and to delegate their fate to the decisions, good, bad, or indifferent, of men either honest or corrupt, efficient or inefficient, in the Department of Agriculture.

The corn glut—

Says the same issue of the Wall Street Journal, on page 1—

held by Uncle Sam shrinks fast. The price-support pile of corn owned by the Government fell to 729 million bushels May 1, down 138 million bushels from a month earlier and far below the 1.4 billion held a year before.

I would think that normally an administration that had supported a program which is beginning to operate and which is beginning to reduce surpluses, and which has not seriously, let me say, cut back farm income, and which has retained the freedom of the individual farmer, would come to Congress with some minor suggestions for correction, some lessons from experience, and would say, "Let us continue the program, which is beginning to work."

It is very hard for me to understand the motive of a Secretary of Agriculture, or of a President, or of a professor from the University of Minnesota, whose idea this is, that this program, which is really just getting tried in its first year, should be abandoned in favor of a program yet to be prescribed and yet to be defined, tucked away in the mind of some bureaucrat, which would tell the feed grain farmers, "You have got to do what we say you must do."

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MUNDT. Of course.

Mr. ELLENDER. The Senator is aware, is he not, that when the emergency program for feed grains was put on the statute books, it was done to give us time to write a permanent program? The Senator remembers that, does he not?

Mr. MUNDT. Yes. I think the original act, passed in 1938, was enacted in order to give us time to write a permanent program. We have been trying to write one ever since.

Mr. ELLENDER. The program which the Senator is criticizing was an emergency program for 1 year, in order to give us time to present a permanent program.

Mr. MUNDT. May I correct the Senator? He said I was criticizing the program. I said it was beginning to work. I was not criticizing the program.

Mr. ELLENDER. The Senator was criticizing the administration.

Mr. MUNDT. For wanting to change it.

Mr. ELLENDER. For wanting to change it. We have had it in operation for 2 years, instead of 1, at tremendous cost. The program will cost the Government, as I pointed out yesterday, over \$900 million this year. It strikes me that this is an extravagant program, and a permanent program of this kind is not what I would want to see.

Mr. MUNDT. The chairman of the committee does something which is not really compatible with his normal behavior, because he is a great advocate of human freedom—and I respect him for it—and he wants to give the people the right to vote to solve their problem—and I respect him for that—and he believes in protecting the right of the States—and I respect him for that. So I think he wears uncomfortably this new cap which he now has when he introduces a program to knock out my wheat proposal, which simply says, "Let us give the wheat farmers the right to vote, at long last, between two attractive programs for handling the wheat problem."

I do not know how the farmers are going to vote. I must say in my own State of South Dakota, which is a great wheat State, I get a great confusion of counsel from producers of wheat. I get some wheat farmers who are not dedicated to the proposal that we should continue the present proposal for a year or two longer to determine whether the progress being made under it will continue.

There is another group of fine wheat producers dedicated to the so-called wheat certificate program, the two-price proposal, which is the proposal advocated by the Department. These men are equally honest. They are equally desirous of solving the wheat problem.

It seems to me logical, sensible, and profoundly American to follow the guidance provided by the committee bill, which would say to the farmers in South Dakota and elsewhere all across the length and breadth of America, "You are the people who are most vitally interested in this problem. You are the people whose future and fortune will depend upon success in the agricultural business and in the production of wheat. Here are two proposals, each with commendable advocates. We shall give you an opportunity in a national referendum, in good American style, to vote in an honest and fair election, in which the voting will be carefully conducted and the votes carefully counted to determine which of the two programs you wish to follow."

In a second referendum, perhaps a week or two or even 3 weeks later, the same wheat farmers will be given an opportunity to determine whether the farm program on wheat selected by a majority of the wheat producers voting in this country should then become the law of the land.

I can see no valid reason whatsoever for denying to the wheat farmer a right to vote on the program which is going to determine his future and his fate. That is what the Ellender amendment would

do, in reality. It would knock out the option. It would knock out the choice. It would disfranchise the wheat farmer as a voter in America on one of the most important economic problems confronting the farmers. It is as simple as that.

I am sure my good friend will not deny that. He would couch it in prettier words, but the result will be, if we enter into a unanimous-consent agreement to that effect, that the Senate will vote on Thursday on that simple issue when we vote on the Ellender amendment.

Our committee does not know whether the wheat certificate program will work or not. A couple of years ago, my good friend who is the chairman will recall, we voted that provision in. Then there was a sort of second thought, we got some different counsel, and we voted the provision out. We never did get it to the Senate at that time.

The wheat proposal of the administration has a lot of support. The wheat certificate program is the so-called two-price system. It has antecedents which go back as far as the McNary-Haugen bill. Its history goes back to the early 1920's. There have always been farmers in America who have felt, "This is the answer."

I do not know whether it is the answer or not. I am persuaded by the arguments. I am perfectly willing to give it a trial, provided the farmers of America wish to try it. However, I see no reason why we should tell the farmers of America, all at once in 1962, "This is the program you must have."

The committee bill now contains my amendment which says: "Let us give the farmers an opportunity to vote. Let us find out what the fellow whose life, fortune, and family depend upon a proper decision has to say as a result of his right to vote and to make a decision."

I see nothing wrong with that. That is compatible with all farm legislation which, in the final analysis, gives to the farmer an opportunity to choose between a given program and another program.

The only thing which is novel about the Mundt proposal is that it would give to the farmers of America who are raising wheat an opportunity to choose between two programs; each of which has its own attractive features, each of which has its own body of supporters, each of which has its own economic figures, statistics, facts, and predictions with which to bolster its arguments.

I should like to find out which program the farmers favor. I do not think the Senate is so wise that very many Senators will wish to go to the farmers in their own States and say, "Look, Chum, a fellow from South Dakota wanted to give you an opportunity to vote on which of these programs you wanted, but I knew that you were so dumb that you would not vote intelligently, so I decided what was good for you."

That is what Senators will have to tell their constituents, if they vote for the Ellender amendment. They will find a more senatorial manner in which to tell them. The language will be a little happier than that language, but the fact is that is what the farmers will know

the Senators are telling them, because Senators are being asked to deny to the farmers of America a right to vote and to state their opinions on the program.

Those who will support the committee language will say, "We have confidence in the American farmer." Those who will vote for the Ellender proposal to strike out the option will say, "We do not have any confidence in the American farmers. We know more than they do. We will tell them what they have to do."

I submit that is not only bad legislation but also a bad approach to any problem under a democratic system such as ours.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ELLENDER. I am sure the wheat farmers of the Nation are very much in favor of their present program. They have a bonanza, as it were.

Mr. MUNDT. It is not a bonanza. The wheat farmers are not getting parity.

Mr. ELLENDER. There is a minimum acreage under the law of 55 million acres, and the Secretary of Agriculture cannot do anything about it. He is powerless to act. When that minimum acreage was put into the law production per acre was 13.3 bushels per acre. Now production is 26.2 bushels per acre. And the minimum acreage is still in the law. Of course, the farmers will vote for that.

Mr. MUNDT. Well, if the farmers will vote for that, then the Senator is not supporting a very popular program.

Mr. ELLENDER. What I am seeking to do is to enact a permanent program which will do justice to the wheat farmers but which will not do violence to the farm program as a whole. It is my considered judgment that if the program continues to cost the taxpayers as much as it cost last year for wheat, corn, and other feed grains and for dairy products—in excess of \$2 billion—all farm programs may well be repealed. There is no doubt about that in my mind.

Mr. MUNDT. Is the Senator saying that he proposes to impose upon the wheat farmers of America a program they do not want?

Mr. ELLENDER. No.

Mr. MUNDT. It sounds that way. The Senator said the farmers would not vote for it.

Mr. ELLENDER. They can vote for the program. We have provided that they may vote it up or down.

Mr. MUNDT. Yes; but what will happen if the farmers vote it down? "Down" is the proper term. Down is where their prices would assuredly go.

Mr. ELLENDER. Then the farmers will not get price supports in excess of 50 percent of parity.

Mr. MUNDT. If they vote it down, then down, down, down will go the price of wheat.

Mr. ELLENDER. They will not get price supports in excess of 50 percent of parity.

Mr. MUNDT. That is correct; they will not get realistic price supports. It really will be a voting down all right.

Mr. ELLENDER. It strikes me, Mr. President, that a farmer who expects his government to support the price of a commodity should also be willing to trim down the acreage so that production will be in line and in keeping with what the country needs. No man on the Senate floor knows better than the Senator from South Dakota [Mr. MUNDT] that the American farmers have been producing, for the past 5 or 6 or 7 years, more wheat than the country needs. The same thing is true with respect to corn and the other feed grains.

As I said yesterday, it strikes me as almost immoral for the corn farmers of this country to expect price supports and yet not be willing to curtail acreage so that production would be in keeping with the requirements of the country. That is what I am seeking to accomplish.

Let the farmers select whether they wish to have fair price supports or low price supports. If they desire to have price supports, then let them cut their acreage down so that production will be in keeping with requirements. Certainly that is something which ought to be done. I see nothing wrong with it.

Mr. MUNDT. It is very true that the farmer will get a second vote either way, after he has selected which of the two programs he prefers.

Mr. ELLENDER. That is correct.

Mr. MUNDT. He could vote to extend the present program for another 2 years, which I presume he would do under those circumstances. If the farmers select in the first referendum the wheat certificate plan, the farmers could vote for the trial with that. I suspect they would have to do so, because, as the Senator has pointed out, the alternative is, "Take the wheat certificate program as submitted by the administration or you will get nothing. Vote 'yes' or starve. Vote 'yes' or go broke. Vote 'yes' or go out of business."

That is not the kind of voting we prefer in this country. We believe in giving a man a valid choice between two attractive propositions. We do not believe in the kind of voting which is conducted in Communist countries, where a person votes "da" or goes to jail, or the kind of voting under a Hitler government, where a person votes "ja" or goes to jail.

We do not believe in giving a man a choice which is a choice in name but not in fact, a choice between taking what he is offered or going broke. That would be the alternative presented, if the Senate were to adopt the Ellender amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ELLENDER. The farmer would have a choice to obtain price supports by voting for the program we have incorporated in the bill. What is that choice?

The production of at least 1 billion bushels of wheat. The acreage to produce that amount—or a little in excess of what is needed—would be distributed among farmers according to what they had planted in the past.

Mr. MUNDT. Without price supports.

Mr. ELLENDER. They would receive price supports, of course. That is the point. The alternative program that they would vote upon, if the provisions of the Mundt amendment were rejected, would not only give the farmers the choice of voting for a program in which they would be permitted to produce 1 billion bushels of wheat or more and obtain price supports, but also on diverted acres they would be paid up to 50 percent of what they would produce if they were permitted to plant the acreage. What is wrong with that?

Mr. MUNDT. If the Mundt amendment were eliminated, as suggested by the Senator from Louisiana, the farmer would be given a choice of voting for the wheat certificate plan or a plan without price supports under which he would have no alternative protective device. My amendment would provide a choice of voting for the wheat certificate plan or a continuation of the present program.

The program is not some nefarious Republican program. It is a choice between the administration's latest idea and the administration's idea of a year ago. It would continue the present program.

Mr. ELLENDER. Mr. President, as the Senator pointed out a while ago, if the farmers voted for the wheat certificate program, they would then have to vote again as to whether or not they wanted to live under that program.

Mr. MUNDT. The Senator is correct.

Mr. ELLENDER. They certainly would have the right to vote for the program to obtain price supports. In my judgment, because they would be paid on diverted acres, their income would certainly not be disturbed for at least 3 years.

Mr. MUNDT. What the Senator has said is partially true. If the Mundt amendment is eliminated, farmers will be given the choice of voting for the wheat certificate program and production without price supports. They would have an opportunity to vote as to whether they wanted to live under the wheat certificate program. The other half of the story is that they could live under the wheat certificate program or die under a jungle dilemma of economics in which they would receive no price supports whatever, and would be confronted with already large surpluses of wheat, which would constantly depress the price of wheat in the market place.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. MUNDT. I yield.

Mr. ELLENDER. If the Mundt plan, which is an extension of the 2-year emergency program, were adopted and the old program were reinstated after 2 years, farmers could vote themselves out of that program. But the Senator from South Dakota knows that they would not.

Mr. MUNDT. No; they would not.

Mr. ELLENDER. Of course they would not, because the program has proved to be a bonanza. Every year farmers have been permitted to produce hundreds of millions of bushels of wheat which we do not need. Yet, Uncle Sam

has been supporting this excessive production. I do not want that to continue.

Mr. MUNDT. Mr. President, I submit that no program is a bonanza which continues to compel the wheat farmer to sell his product below parity. Even parity would not be a bonanza. Parity is equity. Parity is justice. Parity would give the wheat farmer the same kind of equitable treatment that we try to give the rice farmer, the cotton farmer, the tobacco farmer, and any other farmer who is getting along all right. It is not a bonanza.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ELLENDER. The Senator well knows that 3 years ago Congress enacted programs affecting the cotton and rice industries in the same manner that we are trying to apply to wheat. At one time the production of cotton was far in excess of our requirements. What did the farmers do? They voted to limit acreage so that production would be in keeping with our requirements.

The same thing occurred with respect to the tobacco industry. I see the distinguished Senator from Kentucky [Mr. COOPER] is in the Chamber. The tobacco growers have curtailed acreage planted in tobacco in keeping with the production that is necessary.

The same statement applies to those engaged in the rice industry. But that is not the case with wheat. As I have said, wheat growers have been especially privileged in that the Secretary of Agriculture is powerless to reduce the national allotment below 55 million acres. He cannot act.

Mr. MUNDT. Mr. President, the distinguished chairman of the committee can well anticipate what I shall say in rejoinder to his statement, because he has heard me make the statement many times in the committee. He knows that the wheat farmer confronts an altogether different situation from the one that confronts the cotton farmer. The cotton farmer is a happy individual who lives in a salubrious climate in which all his competitors enjoy the same kind of climatic conditions in the same general area of the country. When the cotton farmers vote to reduce their cotton acreage, they are pretty well satisfied that no one in North Dakota, South Dakota, or Nebraska will move in and start to raise cotton. So they have been able to devise for themselves, and have supported, a cotton program which is working pretty well. I am ready to vote to help to make it work even better. I shall follow the guidance of those in the cotton area in that connection. The program has worked pretty well in the cotton industry because the problem is unique.

How about the wheat farmer? When the wheat farmer does not raise wheat and starts cutting back, what happens? Farmers in Louisiana, Arkansas, and other States start raising it. Wheat can be raised almost anywhere, and farmers have been doing it. The production of wheat in our country which is no longer being raised on the rich black soil of South Dakota, North Dakota, and

elsewhere, is migrating into other areas. It is being raised on acreage that has been idle from the normal production of other crops. In addition, there are small wheat plats all over the country that are not affected at all.

The situation has been captured in the statement that "one man's medicine can be another man's poison." We cannot take a formula that has worked well for cotton—and I am glad it has—and say that it will also work for wheat and corn. We are dealing with crops which are national in character, and which can be raised across the length and breadth of our country. As a consequence, we must deal with it in a different type of legislation. It would be easy to solve the farm problem if we could make the formula which has worked for rice or tobacco work equally well for all other farm products. Unhappily, we must abide by the controls of nature. Unhappily we must abide by the geographic facts of the earth. So we must deal with the problem separately.

I do not wish to discuss the point in detail today, but just prior to the voting stage I wish to reaffirm the fact that the Senate will be voting, in a yea-and-nay vote, upon a simple question which can be stated as follows: "Are you sure, Mr. Senator, that you are so much wiser than the farmers on the farms of your State that you want to deny them the right of free choice and monopolize it for yourself? If you are, vote against the Mundt committee amendment. Vote for the Ellender amendment. But be mighty sure that you can convince your farmer constituents that their stupidity is as great as you assume it is, and that they attribute to you the mental capacities which you assume you have."

I am merely saying that at long last we should give the farmer himself an opportunity to vote. Let us quit trying to push programs down his throat. Let us stop trying to pretend that we are wiser than we are. Let us give farmers an opportunity to decide which of the two programs they prefer. After they decide that, let them determine whether to accept or reject the program. Let us, in short, vote against the pending Ellender amendment.

I yield the floor.

PRESENT VOLUNTARY FEED GRAINS SURPLUS REDUCTION PROGRAM SHOULD BE EXTENDED AND STRENGTHENED, NOT ABANDONED

Mr. PROXMIRE. Mr. President, the pending farm bill, S. 3225, as reported by the Senate Agriculture Committee, provides for a 1-year extension of the successful feed grains program that has been in operation during the past year. This program is voluntary. It has reduced the surplus and cut costs to the Government. It has increased farm income. It is popular with farmers. It should not be abandoned now, at a time when surplus stocks are still high as a result of the costly price support—no control law of the Benson period. Especially it should not be abandoned in favor of the mandatory program now backed by the Department of Agriculture, in view of the near certainty that if such a program is enacted by Congress, it will not receive the requisite approval

by two-thirds of feed grains producers nationally voting in the required referendum.

I have analyzed the specific reasons why the referendum will not carry in my statements of April 17, May 17, and May 21, and in my letter to the Secretary of Agriculture of May 11, all of which appear in the CONGRESSIONAL RECORD. I urge Senators with a serious interest in the welfare of our Nation's farmers to read these statements and judge for themselves whether in fact it is not a near certainty that a vote for the mandatory feed grain program now being offered with the backing of the administration is not a vote against any reasonable farm programs at all.

It is both cynical and misleading to say "If farmers do not vote for quotas, they should not have price supports," without at the same time carefully analyzing which farmers are voting, and whose price supports are involved.

TWO-THIRDS OF THOSE VOTING DO NOT MARKET FEED GRAINS

Such analysis will show that some two-thirds of the feed grains producers specifically eligible to vote in the referendum do not sell feed grains for cash, but feed all their crop to livestock and dairy cows on their own farms. Far from being sellers of grain for cash, and thus amenable to the discipline of the marketplace, this two-thirds of feed grain producers are buyers of grain. It is very hard for them to understand why they should vote for a program which, first, limits and reduces the acreage of feed grains they can grow; second, raises the dollar cost of the feed they have to buy; and third, offers no guarantee of higher prices on the livestock or milk or other farm commodity that they sell.

Milk producers in particular will have no reason whatsoever to support such a program.

Mr. President, I am very conscious of this feeling, because I have talked literally to hundreds of dairy farmers in my State about this problem.

NO INCENTIVE FOR DAIRY PRODUCERS TO FAVOR MANDATORY FEED GRAIN PROGRAM

The price of milk in the areas of heaviest production is set by the support level. A mandatory feed grain program as proposed will not raise that level. But it will raise the price of feed, and so will raise costs to dairy farmers, who already are among the most hardpressed of the Nation's agricultural producers.

Even if a dairy income improvement program, such as I have offered, with the cosponsorship of the senior Senator from Minnesota [Mr. HUMPHREY], our able majority whip, is adopted—and I intend to press hard for this—dairy farmers will have little reason to vote for a program that raises their costs. If a mandatory feed grains program is enacted, then my dairy income improvement program becomes a must. Otherwise dairy farmers will be chained to 75 percent of parity milk, which is \$2.85 per hundredweight of 3.5 percent butterfat, with the prospect of a sharp acreage cut and a rise in the price of the feed they buy. But it must be recognized that whether a dairy program is enacted or not, it will be difficult to convince

dairy producers who do not sell grain that it is in their monetary interest to vote for the mandatory program of marketing allotments on feed grains.

Mr. President, just imagine a typical dairy farmer in Wisconsin who may have, perhaps, 50 acres of corn and feed grain on his farm and, as is done by virtually every other feed grain producer in my State, he feeds it all to his cows. If this provision goes into effect, it means that he will be mandated, ordered by the Secretary of Agriculture, if it carries in the referendum, to cut back his production from 50 acres to 40 acres. Therefore he will either have to reduce his production of milk or he will have to go out into the market and buy feed grain.

There is no possibility that if he votes in favor of this proposal the milk price will be higher. It will not be higher. It will \$3.11, or \$2.85 for 3.5-test milk. Under these circumstances it is perfectly predictable what the farmer is going to do. We know that many farmers will sit down with pencil and paper before they vote on this proposal and figure out, "Do I gain or do I lose?"

Any dairy farmer who does this is bound to come to the conclusion that he will lose. He will therefore vote "No." The fact is that a very large number of farmers who will vote in this referendum will be dairy farmers. A very large number of the farmers will be dairy farmers who do not sell a nickel's worth or a bushel of feed grain. These farmers predictably will vote "No."

Incidentally, I have talked with officials in the Department of Agriculture about this, to independent experts, and to the staff of the Committee on Agriculture and Forestry, and they all say this line of reasoning is correct.

I challenge any Senator and I challenge the chairman of the Committee on Agriculture and Forestry to give me any reason why a dairy farmer should not vote "No" under those circumstances.

Oh, there may be a broad-scale view of the whole farm program that may make a farmer consider the welfare of the corn farmer of Iowa, and so forth, and under those circumstances he may in good conscience feel that a wise vote is to cut the production of feed grain on his own farm by 20 percent, and substantially increase his costs.

However, I do not believe there is any genuine reason, no definite, no specific reason for such farmers to vote "Yes." They will vote "No."

HOG, CATTLE PRODUCERS OPPOSE MANDATORY PROGRAM

Hog, beef, and other livestock producers also feel they have no reason to vote for a program that raises their costs with no sure prospect of an increase in the commodity prices of what they market. To be sure, the careful studies of the Department of Agriculture and many other experts at land-grant colleges and elsewhere have demonstrated the relation between feed prices and beef and hog prices. Cheap feed means cheap hogs and cheap cattle, and farm income plummets. But it must be recognized that these analyses are not universally accepted. There is a very widespread

feeling among livestock producers that their prices and marketings and income have been satisfactory because of the absence of any Government programs for what they sell. In this conviction they have the staunch support of many farm organization officials as well as farm newspapers and periodicals.

In addition, as I have explained previously, in my statements on May 17 and April 17, feed grain producers who also raise tobacco or cotton, and who receive a substantial cash income from these crops, have little interest in a marketing quota program which will restrict the amount of feed grains they can plant. It is the opinion of a distinguished agricultural economist from a Southern State that producers in his area would never favor a marketing quota plan for feed grains, no matter how often it was offered, or how low feed prices fell. Increasing education and understanding would not help, since these producers will continue to feel that allowing expansion of their feed grains production is very much in their interest. So it is not unlikely that southern feed producers would oppose a mandatory feed grain program by an even greater vote the second time around than the first. This would be especially true if the payments proposed are lowered after the first year.

Granted a bandwagon psychological effect might raise the level of approval the first time around. But as I have shown, it is extremely doubtful that this would be enough to offset the deeply ingrained opposition of many many farmers in many parts of the country to a mandatory supply management program for feed grains, an opposition in which they will be encouraged by many farm organizations and local farm leaders. What is more, there will have been no experience of a free market in feed grains to prove the correctness of the studies showing what will happen to farm prices and income if supply adjustment and price support programs are abandoned.

PROGRAM LIKELY TO MEAN END OF PRICE SUPPORTS

It is one thing to say that price supports without production limitations cannot be justified.

But it is quite a different thing to offer a mandatory supply limitation program on which hundreds of thousands of farmers with sharply differing, and even conflicting, interests will have to vote—and using this as a justification for abandoning the price supports that are the only guarantee of reasonable prices and incomes for the main feed grain producers, price supports which in a situation of great surplus provide the only sound basis for stability in agriculture.

So let it be very clear that a vote in the Senate for a mandatory feed grain program will be a vote against any price supports for feed grains. It will be a vote for an abandonment of price supports on by far the largest crop in the Nation. It will be a vote that, to be sure, will result in a sharp reduction of Government costs, but at a fantastic price—and the price must be recognized.

Mr. President, abruptly ending the feed grain price supports in a period of

substantial surplus will mean a certain, great overproduction of feed, and a predictable drop in the price of corn to 75 cents a bushel. It will mean distress beef prices, 9-cent hogs, and a greater-than-ever dairy surplus. It will mean a serious drop in agricultural income at a time when farm income already is far, far lower than in any other sector of our generally prosperous economy.

The predictable costs of picking up the pieces after the Nation's farmers are in such a situation will be very high, higher, indeed, by far than the cost of continuing the present successful feed grains program. It will mean high costs in welfare payments and in the redevelopment of rural areas where incomes will be sharply reduced.

PRESENT PROGRAM CAN BE IMPROVED, EXTENDED

With modifications that I have suggested, the present feed grains program, backed by the administration last year, can be made to work even better. Its real costs are already substantially lower than the bookkeeping costs, since most of the payments in kind represent grain that otherwise would be used in surplus disposal programs which bring no dollar returns.

I feel strongly that there should be modifications which will require a greater degree of cooperation and that can sharply reduce the cost of the program, although we know that the program is sure to cost less, because we are very unlikely to get the kind of excellent weather we had last year—the best weather in many years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table spelling out in detail the cost of the present program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1961 feed grain program results		
Acreage diverted under the program:		
Corn.....	millions of acres..	19.1
Sorghum grain.....	do..	6.1
Total.....	do..	25.2
Estimated cost of program payments:		
Corn.....	millions of dollars..	645.0
Sorghum grain.....	do..	137.0
Administrative costs.....	do..	42.8
Total.....	do..	824.8
Cost per acre.....	dollars..	31
DEPARTMENT'S ESTIMATED SAVINGS RESULTING FROM 1961 FEED GRAIN PROGRAM		
		Total savings (millions of dollars)
Element of cost:		
1. Acquisition costs avoided.....		353
2. Carrying costs avoided.....		843
3. Interest savings.....		211
Total.....		1,407
Cost of program:		
1. Land retirement payments.....		782
2. Administration costs.....		42
Total.....		824
Net savings to Government.....		583

1961 feed grain program results—Continued

DEPARTMENT'S ESTIMATE OF EFFECT ON FARM INCOME	
1961: Value of production of all feed grains, basis price per ton of corn.....	
	5,372
Payments for land diversion.....	782
Total.....	6,154
1960: Value of production of all feed grains, basis price per ton of corn.....	
	5,705
Increase in gross returns.....	449

Mr. PROXMIRE. Mr. President, this is a program which will work. It is a practical program. It has been tried.

Mr. President, specifically to strengthen the program, I offer an amendment to encourage cross-compliance under the voluntary feed grain program as provided in the farm bill, S. 3225. I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and without objection, it will be printed in the RECORD.

(The amendment is as follows:)

On page 17, between lines 15 and 16, strike out the quotation marks and insert the following:

"(4) Notwithstanding any other provision of law, the Secretary may require producers of corn, grain sorghums, or barley, as a condition of eligibility for any benefit under this or any other law administered by the Secretary, to participate in the special agricultural conservation program under this subsection to the extent prescribed by him (except that a producer of Malting barley, or a producer of barley on a summer fallow farm, as described in section 105(c)(6) of the Agricultural Act of 1949 shall not be so required to participate in the special agricultural conservation program for barley)."

Mr. PROXMIRE. My amendment provides that as a condition of eligibility for other farm programs that provide financial benefits to producers, the Secretary may require participation in the diversion feature of the voluntary feed grains program—with the obvious qualification that the farmer be a producer of feed grains.

This is based on a simple and easily understood principle, one which I know from my own experience most farmers accept and, indeed, strongly approve.

That is, farmers who choose not to comply with a voluntary production reduction program should not be permitted to benefit from other Federal assistance or subsidy programs of other types.

This adds a sensible, easily understood incentive to back up the generous inducement offered farmers already to gain compliance with the feed grain program. Those farmers who want the freedom to continue to plant all they want could continue to do so, but they could not at the same time continue to receive lucrative subsidies of various kinds also offered by the Department of Agriculture.

IF MANDATORY FEED GRAIN PROGRAM ADOPTED, SIMULTANEOUS REFERENDUMS SHOULD BE HELD ON WHEAT AND COTTON

Mr. President, I turn now to a different point. One of the reasons why a manda-

tory feed grain program is likely to lose in a referendum is because there is no provision for simultaneous cross-compliance votes. It is not enough, it seems to me, to propose a mandatory feed grain program without offering a method by which a favorable vote could be achieved. Such a program is likely to be defeated in large measure because, for example, it will be opposed by farmers who vote in a cotton marketing quota program to reduce acreage, but then want to use the additional land to grow feed grains, which they will feed to cattle or hogs. This is not theory; this is what has happened in the past. In order to overcome this possibility, I suggest another approach.

REQUIRE CROSS-COMPLIANCE IN REFERENDUM

It is widely recognized that many producers who vote for marketing quotas on their major money crops may vote against marketing quotas on feed grains. These producers want to use acreage diverted from their major money crop, as well as other acreage, to raise feed grains which form the basis of their livestock program. Therefore, they may be reluctant to support a mandatory marketing quota on feed grains which has the effect of restricting their acreage and raising the price of any feed they have to buy.

In view of the fact that feed grain producers in all parts of the country will be voting in the required referendum, if a marketing quota program for feed grains is enacted, it makes sense to provide for simultaneous referendums for the feed grains, cotton, and wheat programs. This is a minimum precaution that should be adopted.

As I have explained in detail, the cards are stacked against two-thirds producer approval of a mandatory feed grain program in any circumstance. At least, requiring simultaneous referenda on the three main marketing quota programs will unstack the deck a bit.

Mr. President, I therefore send to the desk, and ask to have printed, my amendment requiring simultaneous referenda for mandatory marketing programs on cotton, wheat, and feed grains. This is an amendment to the amendment designated "5-21-62-A" which was submitted by the Senator from Louisiana [Mr. ELLENDER] and is supported by the Department of Agriculture. I ask unanimous consent that the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, it will be printed in the RECORD.

(The amendment is as follows:)

On page 13, beginning with the new sentence in line 17, strike out all down through line 4 on page 14, and insert in lieu thereof the following:

"Notwithstanding any other provision of law, whenever a referendum is conducted pursuant to the provisions of the first paragraph of this section for the purpose of determining whether farmers favor or oppose marketing quotas for feed grains, the Secretary shall at the same time conduct referen-

dums to determine whether farmers favor or oppose marketing quotas for wheat and cotton. The eligibility requirements for voting shall be determined in the case of feed grains by the provisions of the first paragraph of this section, in the case of wheat by the provisions of part III of subtitle B of this title, and in the case of cotton by the provisions of part IV of subtitle B of this title.

"Whenever referendums for feed grains, wheat, and cotton are conducted at the same time as provided herein, any farmer eligible to vote in more than one such referendum shall only be permitted to vote in favor of marketing quotas for all commodities with respect to which he is eligible to vote or against marketing quotas for all commodities with respect to which he is eligible to vote.

"In determining the results of a referendum conducted under this section, the votes cast in favor of or against marketing quotas in the case of feed grains, wheat, and cotton, respectively, shall be counted separately.

"The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in any of the referendums conducted voted against marketing quotas for the commodity concerned, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop or crops of that commodity with respect to which the referendum was applicable. If the Secretary determines that, in the case of the feed grain referendum, two-thirds or more of the farmers voting approve marketing quotas for a period of two or three marketing years, no referendum with respect to feed grains shall be held for the subsequent year or years of such period.

"If the Secretary determines that the date prescribed in the first paragraph of this section is too early or too late to conduct simultaneous referendums as provided herein, he may advance or delay the conducting of such referendums by publication of the change of date in the Federal Register."

Mr. PROXMIRE. Mr. President, I do not favor the enactment of the mandatory feed grains program proposed by the Senator from Louisiana [Mr. ELLENDER], and the Department of Agriculture. But if such a program is enacted and put to a producer referendum, I feel very strongly that the minimum precaution of simultaneous referendums on wheat and cotton should be provided.

Each producer who grew one or more of these crops would have to vote for or against marketing quotas on all the crops he grew. He could not vote for quotas on one crop and against quotas on the others.

The votes for each crop would then be counted separately. For each crop where two-thirds or more of the producers voting favored supply management, a program would be put into effect. If one-third or more of the producers of any one crop voted "no," no program for that crop would be put into effect.

I sincerely hope my amendment will be adopted.

I yield the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have a unanimous-consent request to offer, which I think has been cleared by all Senators interested. I will read it at this time, because it may be difficult for the clerk to put it together:

Ordered, That effective at 12 o'clock noon on Thursday, May 24, 1962, debate on the Ellender wheat amendment or any amendment thereto shall proceed until 2 o'clock p.m., to be equally divided and controlled by Mr. ELLENDER and the minority leader; that at said hour a vote shall be taken on said amendment or any amendment, motion, or appeal relating thereto, except a motion to lay on the table; that following a vote on said amendment or amendments, 2 hours, to be equally divided and controlled as above, be allotted for debate on the Ellender feed grains amendment or any amendment thereto; on any other amendment, motion, or appeal, debate shall be limited to 2 hours, to be equally divided and controlled by Mr. ELLENDER and the minority leader: *Provided* That no amendment that is not germane shall be received.

Ordered, further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana [Mr. ELLENDER] and the minority leader: *Provided*, That the Senator from Louisiana [Mr. ELLENDER] and the minority leader, or either of them, may from the time under their control on the passage of said bill allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I think the Senator has one error in the request, and that is that the time on an ordinary amendment should be controlled by the mover and the Senator from Louisiana [Mr. ELLENDER], rather than by the minority leader and the Senator from Louisiana [Mr. ELLENDER].

Mr. MANSFIELD. I accept that suggestion. I thought the minority leader, as a matter of courtesy, would honor such considerations.

I amend my unanimous-consent request accordingly.

The PRESIDING OFFICER (Mr. PEARSON in the chair). Is there objection?

Mr. MUNDT. Mr. President, reserving the right to object—and I shall not object—I should like to ask for the yeas and nays on the Ellender amendments on wheat and feed grains.

Mr. HUMPHREY. On the wheat amendment?

Mr. MUNDT. On both the wheat amendment and the feed grain amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MANSFIELD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Is the request for the yeas and nays on both amendments?

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, I should like to inquire whether the majority leader has made any determination as to the time the Senate should convene on Friday. It is of some importance. I heard that the Senate might meet at 10 o'clock on Friday. I understand it is tentatively considered that the Senate will meet at 11 o'clock on Thursday.

Mr. MANSFIELD. I should like for the Senate to convene at 10 o'clock on Thursday.

Mr. HUMPHREY. Could the Senate meet at 10 o'clock on Friday, also?

Mr. MANSFIELD. Yes.

Mr. HICKENLOOPER. There are one or two Senators who have some commitments late Friday evening.

Mr. MANSFIELD. I shall ask that the Senate meet at 10 o'clock on Friday morning.

Mr. HICKENLOOPER. I understood that, with the vote at 2 o'clock on the wheat amendment, it would not be necessary to convene at 10 o'clock on Thursday. I have no objection to it.

Mr. MANSFIELD. The time will be 10 o'clock on Friday morning.

Mr. HUMPHREY. And 10 o'clock on Thursday morning?

Mr. MANSFIELD. Ten o'clock on Thursday morning.

Mr. HICKENLOOPER. Ten o'clock on Thursday morning and 10 o'clock on Friday morning.

Mr. MANSFIELD. Yes; and 12 o'clock noon tomorrow.

Mr. HICKENLOOPER. Is that agreeable to all?

Mr. MANSFIELD. Yes. I shall make the request as soon as action is taken on the pending unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and without objection the order is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective at 12 o'clock noon on Thursday, May 24, 1962, debate on the Ellender wheat amendment or any amendment thereto shall proceed until 2 o'clock p.m., to be equally divided and controlled, respectively, by Mr. ELLENDER and the minority leader; that at said hour a vote shall be taken on said amendment or any amendment, motion or appeal relating thereto, except a motion to lay on the table; that following the vote on said amendment or any amendment thereto, 2 hours, to be equally divided and controlled as above, shall be allotted for debate on the Ellender feed grain amendment or any amendment thereto; that on any other amendment, motion, or appeal, except a motion to lay on the table, debate shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion the time in opposition there-

to shall be controlled by the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the provisions of the said bill or the wheat and feed grain amendments shall be in order.

Ordered further, That on the passage of the said bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal. (May 22, 1962.)

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight it stand in adjournment to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT ON WEDNESDAY UNTIL 10 A.M. THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tomorrow it stand in adjournment to meet at 10 o'clock on Thursday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT ON THURSDAY UNTIL 10 A.M. FRIDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations Thursday evening it stand in adjournment to meet at 10 o'clock on Friday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE LATE FRANK C. BYERS

Mr. MILLER. Mr. President, the dean of the Iowa Legislature, the late Senator Frank Byers, of Marion, Iowa, recently passed away. It was my pleasure to serve in the Iowa Senate with the late Senator Byers, who was beloved by all his colleagues and recognized as one of the foremost members of the Iowa Legislature in the history of the State.

In a recent issue of the Des Moines Register appeared an editorial entitled "The Gentleman From Linn," honoring the late Senator Byers. I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GENTLEMAN FROM LINN

Former Senator Frank C. Byers, of Marion, who died Thursday at 78, was an example of the fact that personality is a very useful ingredient in the work of Government and legislation.

His service of 32 years in the legislature was not the only thing which made him known to and will make him missed by all those who served in or watched the general assemblies of the last three decades.

His physique would not command attention. He was small and slight, but his influence as a leader of the urban bloc and as chairman of the smoothly run Judiciary Committee No. 2 of the senate was great. He had a flexibility which permitted him, in his last years of senate service, to act as adviser and counsellor for the freshmen, the new members, in their effort to form a bloc of their own.

He dressed immaculately and wore pince-nez glasses for years. His carnation was a badge of personality. He did not speak often but when he did it was with gentleness and humor that left no sting and no resentment. He retired from the membership but not the memory of the senate 2 years ago.

He was called for many years "the Gentleman from Linn." It was a title which characterized him.

THE INSIDIOUS CAMPAIGN TO SILENCE ANTI-COMMUNISTS

Mr. MILLER. Mr. President, in the latest issue of the Reader's Digest appeared an article entitled "The Insidious Campaign to Silence Anti-Communists," written by William R. Kintner.

The article points out that the rather superficial attempt to silence anti-Communists, by those who like to call themselves anti-anti-Communists, actually is playing into the hands of the Soviet and Communist propaganda machine. I believe the article could be read with interest and could be of considerable help to everyone, and I therefore ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE INSIDIOUS CAMPAIGN TO SILENCE ANTI-COMMUNISTS

(By William R. Kintner¹)

An insidious, Moscow-fed campaign to bleed the life out of anticommunism in America is now beginning to pay off. Within the past year it has created such a climate of distrust and confusion that scores of reputable anti-Communist authorities find themselves tainted, suspect, under vicious attack.

The newest target for exploitation by the Reds is the extremist hysteria currently evident in America. Millions of Americans have become discouraged by the years of confusion, contradiction, and empty posturing that have marked our efforts against communism. Out of a growing sense of frustration some have gathered into wrong-headed extremist cults such as the John Birch Society. Yet, instead of removing the cause of frustration on which such movements feed,² some of our highest officials are

¹ William R. Kintner is deputy director of the Foreign Policy Research Institute and professor of political science at the University of Pennsylvania. A West Point graduate, he served successively from 1950-61 as a Central Intelligence Agency planning officer, a staff negotiator at the Panmunjom armistice talks, and adviser at the White House on cold war operations, chief of long-range planning in the Office of Chief of Staff, U.S. Army. He is a coauthor of "Protracted Conflict" and "A Forward Strategy for America." His latest book, "The New Frontier of War," an analysis of Communist psychopolitical warfare, will be published this month.

² "This public responsiveness to the extremists' views is not without cause. There is a mounting sense of frustration over the trend of the cold war and the conviction that we are always on the diplomatic de-

attacking not just Birchites but experts on the Communist challenge. As a result, a deplorable set of double standards has developed. Persons who voice anti-Communist thoughts are reprimanded, while those who plead accommodation are rarely rebuked.

For example, in Okanogan, Wash., U.S. Forest Ranger Don Caron was forced to resign because he wrote anti-Communist articles for the local newspaper. His superiors said his writings were "controversial" and "reduced his effectiveness."

Yet when Supreme Court Justice William O. Douglas publicly argues against U.S. policy to resist Red China's admission to the United Nations there is no censure, although the prestige of our highest Court is injected into foreign-policy matters outside its jurisdiction.

Last July the U.S. Navy was so wary of pressures against anti-Communists that it wouldn't even let one of its bands play at a Santa Monica, Calif., anti-Communist rally sponsored by 53 civic and service organizations, including the American Legion.

Many of the same people who a few years ago quite properly decried Senator McCarthy's "guilt-by-association" techniques in labeling persons pro-Communist now employ these same tactics to smear all anti-Communists as Birchite "extremists." No sooner was it disclosed that Maj. Gen. Edwin Walker belonged to the John Birch Society than numerous high-ranking military men found themselves subtly stamped with the Birchite-Walker label. The New York Times referred to Walker as just "the most conspicuous example" of officers with theories akin to those held by Birchites. Much in the same vein, a report to the Fund for the Republic lumps such respectable publications as National Review and U.S. News & World Report with the discredited Birch Society's own journal.

Aided by such loose reporting, this drive which discourages and reprimands anti-communism in the United States not merely serves Russia's aims; it has its roots in Moscow's psychological and propaganda specialists. The Reds have fastened onto the extremist hysteria as a handy vehicle for mounting a well-laid campaign to split the United States in two and discredit both liberals and conservatives who urge tough-minded realism in dealing with communism.

The zeal with which the Reds are going about this is a tribute to a movement which had its beginning in 1955, when 1,000 educators, businessmen, and scientists assembled in Chicago for the first national Military-Industrial Conference to devise ways of meeting the Soviet technological challenge. The parley was so successful that it became a yearly event supported by eight universities, dozens of professional societies, labor unions, business groups and several U.S. Government departments. Moreover, it was put under the direction of a civilian-run, year-round organization, the Institute for American Strategy.

Meanwhile, alarmed by Communist intrusions and psychological gains, the White House urged that the public be better informed about cold-war problems. As a result, the University of Pennsylvania's Foreign Policy Research Institute was called upon to set up a 2-week seminar for 210 highly qualified military reservists.

In the summer of 1959, college presidents, deans, editors, members of Congress, Governors, lawyers, teachers, and businessmen gathered at the National War College and

defensive. The way to disarm extremism is not to lecture the extremists but to remove the sense of frustration on which extremism feeds. The truth is that the West has been on the diplomatic defensive since the end of World War II" (Roscoe Drummond in New York Herald Tribune).

heard lectures by 55 top experts. Deeply moved by what they learned, many participants felt urged to alert their own areas. With the guidance of such organizations as the Institute for American Strategy, they organized weekend strategy seminars for which nearby Army posts made available their dormitories and assembly halls.

In the last 3 years, more than 50 of these forums have brought together 60,000 persons for intensive education about the enemy's methods and goals. In rare instances, speakers have slipped off the track into intemperate remarks—but this has happened only because the discussions have been carried on in such a frank and free atmosphere.

The public's understanding of communism was further sharpened by revelations made in congressional committees. Defectors from Russia's intelligence system appeared before our legislators and explained the Kremlin's sordid techniques of blackmail and murder. The Federal Bureau of Investigation unveiled the plans of the U.S. Communist Party members, obeying Moscow orders, to infiltrate and influence American youth.

As a result of all this activity, anticommunism developed into dynamic enlightened force in America—a movement so powerful that Khrushchev had to try to destroy it.

Evidence of the Kremlin's concern was a meeting held in Moscow in late 1960. Eighty-one Communist chieftains huddled for close to a month, then issued a startling manifesto which described the anti-Communist movement as "the principal ideological weapon" of Communist opponents and called on Communists around the world to participate in exposing anticommunism.

On January 6, 1961, Khrushchev summoned before him the elite of communism's psychological warfare experts. He told them that the rising anti-Communist movement had to be destroyed and stressed the necessity of establishing contacts with those circles of the bourgeoisie which gravitate toward pacifism. His most revealing words: "We must use 'prudent' representatives of the bourgeoisie."

Khrushchev was confident that his international brainwashing apparatus could carry out these orders. From disclosures by defector MVD Col. Vladimir Petrov before the Royal Australian Commission and from congressional testimony of the CIA, we know how this apparatus operates. Dossiers in Moscow's espionage headquarters were combed for the names of unsuspecting persons in the United States who might do the Kremlin's work. Search was made for political leaders of our extreme left who might fall for a made-in-Moscow line, for ultra-liberal newsmen who would innocently echo Communist-inspired interpretations. Finally, the Kremlin experts on America screened conservatives, singling out extremists whose intemperance could be counted on to discredit all anti-Communists.

Such Communist use of legitimate liberals, conservatives and pacifists should be a matter of concern, not blame. They are equally victims of the devious mechanism which 60 years of Communist experience have perfected for moving the party's ideas deep into free societies. This transmission system functions through four rings, which are like ripples from a stone dropped in water, as one expert puts it. Ring one consists of actual Communist fronts linked closely to the Kremlin. Ring two is made up of blind pacifists and fuzzy intellectuals who occasionally aid Red aims. Ring three nears the mark that Moscow wishes to hit, the innocents, respected citizens who have influential connections but who are often professional protesters and crusaders, career cause people whose idealism is both genuine and naive. Ring four is composed of opinion-makers: editorial writers, news analysts, commentators, preachers, editors,

educators. The ultimate objective of all this attention is the general public.

By the time the ripples from a counterfeit idea dropped in the middle of Ring one finally lap up on the shores of public opinion, it becomes virtually impossible to separate the innocent carriers from the knowing purveyors. The public at best is confused, at worst actually hostile to anticommunism. In either case, Moscow scores a clear gain.

The primary target is the Pentagon. For, as Senator FRANK LAUSCHE, a Democrat from Ohio, has explained: "If I had to advance communism in the world, I would urge the destruction of U.S. public confidence in our military men."

Last spring the Reds were handed a perfect opening wedge: discovery by the press of the extremist John Birch Society, plus a later revelation that one U.S. general was a member. This was enough to set some of our most influential newspapers off on a chase to show, with slim pickings for proof, that numerous officers were indoctrinating their commands and the civilian population with Birchite-type theories. This in turn was all that Gus Hall, boss of the U.S. Communist Party, needed to thunder that "even the Pentagon had to admit recently that it was worried over the extent of Birchite and similar influences among the ranking officers of the military services."

The controversy over rightwing extremists mounted. Often the shooting missed the main target and strafed legitimate anti-Communists and educational programs with a spray of guilt by association. Among those to be hit were the strategy seminars.

The furor reached its peak last summer when none other than the influential chairman of the Senate Foreign Relations Committee, WILLIAM FULBRIGHT, dispatched a memorandum to the Pentagon castigating the seminar program.

As a result of all this, any effective seminar program was doomed. Unofficially, word flashed down from the Pentagon through the officer corps to go easy on public "anti-Communist" remarks. In recent months, the sponsors of a proposed Louisiana-Arkansas-Texas session in Shreveport, La., on the Communist threat were told that "the Defense Department cannot participate in your seminar in any manner." In Virginia, a training program on communism for active-duty National Guardsmen had to be postponed. Throughout the Nation, citizens' groups wanting to learn more about our own strategy have been denied military cooperation.

Isn't it time we stopped such senseless suppression of responsible education about Khrushchev's plan to bury us? Unless the American people can realistically analyze together this total Communist threat, the Kremlin will watch its plan to paralyze us succeed, as we divide into a bitter civil war of words that will wreck our national unity. We must regain the real balance needed to allow all citizens to study Communist maneuvers and learn how to cope with them intelligently and forthrightly without being silenced or smeared. For when the day comes that we are prevented from fully comprehending why growing Communist power imperils freedom, and when we cannot discuss frankly what should be done to combat it—on that day our cause will be lost.

TRUMAN'S FARM VIEWS

Mr. MILLER. Mr. President, in the April 29 issue of the Des Moines Register is an editorial entitled "Truman's Farm Views."

The editorial cites the recent statement by the former Democrat President, Mr. Truman, to the effect that farmers

are "the biggest yellers in the country."

Mr. President, I can understand why farmers might be yelling rather loud, in view of some of the recent activities in the Department of Agriculture, and in view of some of the proposals to place them under further Federal controls, but I cannot understand why a former President should make such a statement, even in an off-the-cuff remark.

I ask unanimous consent that the editorial may be printed in the RECORD, because I believe that our farmers are interested in knowing what the former Democratic President has to say about them.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRUMAN'S FARM VIEWS

Former President Harry Truman was in Des Moines last week and he said something about farmers being "the biggest yellers in the country." Because of the farmers' peculiar ability to yell louder than anyone else they will be able to take care of themselves in the face of increasing city strength in Congress, he said.

This is the same Harry Truman who came to Des Moines and Dexter on September 18, 1948. He seemed to be a very sympathetic man then. He said the farmer had "saved millions of people from starvation" by ability to produce. He actually encouraged a little yelling provided, of course, that the yelling was at the Republicans.

"How many times do you have to be hit on the head before you find out what's hitting you?" he asked the farmers. "Are you going to let another Republican blight wipe out your prosperity?" He also said that Congress had "stuck a pitchfork in the farmer's back." In most barnyards a pitchfork in the back is regarded as justifiable grounds for real first-class country hollering.

If anyone has any trouble reconciling the Truman attitude of 1948 and that of 1962 the answer may be found in something else he said in Des Moines Wednesday. He was asked if he is running for any office now. He said he isn't.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MILLER. Mr. President, I rise in opposition to the amendment of the distinguished Senator from Louisiana [Mr. ELLENDER], numbered 5-21-62, known as the wheat amendment.

This amendment would strike from the bill, S. 3225, as reported by the Senate Committee on Agriculture and Forestry the second alternate program upon which wheat farmers would be permitted to vote in a referendum.

The result of the Ellender amendment would be to give our wheat farmers a choice of voting for nothing—no acreage controls, no price supports, nothing ex-

cept disaster—or for a 2- or 3-year national marketing quota programs, as determined and proclaimed by the Secretary of Agriculture; a quota, moreover, which would take into account any withdrawals of Commodity Credit Corporation stocks which the Secretary deems to be excessive, accompanied by a national acreage allotment also to be proclaimed by the Secretary of Agriculture.

Without the Ellender amendment, our wheat farmers would be given a choice of voting for something—a continuation of the 1962 program with a 10-percent reduction in acreage on each farm, to be reimbursed by cash or in-kind payments, with present price supports; or a 2- or 3-year national marketing quota and acreage allotment program, such as I have previously described.

It seems to me that it is unfair to our wheat farmers to offer them a choice of disaster on the one hand or complete regimentation under control of the Secretary of Agriculture on the other hand. Indeed, the Secretary of Agriculture has too much power and control already without adding to it, as the Ellender amendment would do.

I am confident that our wheat farmers would reject the choice, if it can be so termed, of a completely federalized and federally controlled agricultural program in favor of a sensible program of reduced acreage to be paid for in cash or in kind. Moreover, properly administered, I am confident that the latter program would result in a substantial reduction in production of excessive stocks of wheat.

The argument has been made that producers of cotton, rice, tobacco and peanuts have been under Government controls for a long time, so why not do the same thing for wheat and feed grains? It is not quite as simple as that. Special circumstances differentiate these crops from wheat and feed grains. Tobacco and cotton are not used in livestock production, for example. Acreage involved in production is only one two-hundred-and-thirtieth that in wheat, feed grains, and oil seeds. Rice and peanuts are small acreage crops localized in their production.

Moreover, the program of controls which the Ellender amendment would practically force our wheat farmers to vote for is not the same as the program for these other agricultural commodities. If producers of cotton, rice, or peanuts voted against controls, those who nevertheless controlled their production would still be entitled to price support of 50 percent of parity and to protection against disposal of Commodity Credit Corporation stocks at less than price supports.

As a matter of fact, Mr. President, I doubt that the producers of tobacco, rice, cotton, and peanuts would ever have voted for their programs—indeed, I doubt that the Members of the Senate would ever have given them such a choice—if these had been so restrictive and harsh as the regimentation to which our wheat farmers would be subjected under this bill, if it is amended as the Senator from Louisiana recommends.

Mr. President, I yield the floor.

CANADIAN TAX INCENTIVES IN THE MINING INDUSTRY

Mr. HUMPHREY. Mr. President, few public statements which I have seen in recent months have so vividly dramatized the impact of the Canadian tax incentives in drawing American investment dollars north of the border, as an article in the Wall Street Journal of May 17, by Mr. Harlan S. Byrne reporting from Ottawa.

Mr. Byrne reports as follows:

U.S. businessmen and investors have a huge stake north of the border. At the end of 1960, U.S. investments in Canada totaled \$16.9 billion, up 64 percent from 5 years earlier. U.S. interests owned or controlled 44 percent of Canada's manufacturing industry, 53 percent of mining and 69 percent of petroleum.

As respects my own State of Minnesota, where traditionally American steel industry has found its chief supplies of iron ore, during the period when United States investments in Canada were rising by 64 percent, to a point where U.S. interests own or control 53 percent of the entire mining industry of Canada, there have been sharp cutbacks in iron mining in Minnesota and in iron mining investments in many areas of the State of Minnesota.

As I recall, the two exceptions—the Reserve Mining and Erie Mining—have established what we call taconite plants and have proved that the type of processing of taconite ore carried on there is not only feasible, but it is competitive in the steel markets. I compliment these splendid companies on their initiative and willingness to develop the new process.

In other words, decisions were made by the boards of directors of the major steel and iron mining companies in this country to shift their iron ore production north into Canada out of the United States. This was done, clearly, in response to the heavy incentives offered by Canada, including a 3-year complete tax forgiveness feature for new iron mining installations.

The truth is that the State of Minnesota could not, if it wished, compete with the kind of tax incentives that the friendly nation to the north has been offering to our mining industry, and which have been so eagerly seized upon by our iron and steel industry leaders. What is required is a U.S. counter for such remarkable tax incentives as we face from other nations, and secondly a determination on the part of the American iron and steel industry leaders that it is better business in the long run to maintain at least a reasonable balance in mining from American mines than foreign mines.

I note again that despite whatever our own State may do—and we have done much in terms of offering incentives, particularly in the taconite industry—we stand helpless as a single State in the tax structure unless changes are made in the Federal tax structure which at least would offer some competition to the incentives that are being offered by our neighbor to the north.

I am hopeful that the President's tax bill, together with what I hope will be additional incentives in the form of more

rapid tax depreciation schedules for our mining equipment, will combine to persuade the iron and steel industry leaders that they should resume their policy of investing in the traditional areas of American iron ore mining.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the portion of the article entitled "Canada's Election" from the Wall Street Journal, May 17, written by Harlan S. Byrne.

There being no objection, the portion of the article was ordered to be printed in the RECORD, as follows:

CANADA'S ELECTION—LIBERAL PARTY COPIES KENNEDY TACTICS AS IT TRIES TO END TORY RULE—PEARSON FORCES USE POLLS, HIT STAGNATION—ECONOMIC UPTURN AIDS CONSERVATIVES—CURBS ON U.S. INVESTMENTS?

(By Harlan S. Byrne)

OTTAWA.—Campaign promises to "get the economy moving again" and "restore our lost international prestige"; thrusts at "wasted years" under the party in power; private polls to learn voter attitudes.

Remind you of John F. Kennedy's U.S. presidential campaign? As a matter of fact, they're fairly authentic reproductions by Canada's Liberal Party. The Liberals hope to profit from the lessons of the Kennedy victory as they seek to unseat the ruling Progressive Conservatives, or Tories, in Canada's general election June 18.

Liberal leader Lester B. Pearson and the party's other candidates for Parliament are widely copying Kennedy campaign techniques and vote-catching phrases. Party professionals are all but using as a handbook Theodore H. White's "The Making of the President, 1960," the Pulitzer Prize winning book that analyzes the Kennedy campaign methods. "They're practically following White's book page by page," says a Tory strategist.

The fortunes of the Liberals in recent years suggest they could use a few pointers. When Parliament was dissolved last month in preparation for the election, they held only 51 of the 265 seats. The Tories had an overwhelming 203. Eight of the remaining seats were held by the Cooperative Commonwealth Federation, a minor farm-labor group now rechristened the New Democratic Party, and three were vacant.

A RECORD MARGIN

Five years ago, in June 1957, the Tories ended 22 years of Liberal rule by winning 112 seats to the Liberals' 105. Since the Conservatives had fallen short of a majority of the seats in Parliament, Prime Minister John G. Diefenbaker followed precedent and called a new election for March 1958. His government was swept back in by the widest margin in Canadian history.

Though it's highly risky to predict the outcome of this year's election, informed political guessing is that the Liberals will make sizable gains. In fact, the latest Gallup Poll, out last week, shows the Liberals in front. Of the voters interviewed who said they had an opinion, 45 percent favored the Liberals, 38 percent the Tories, and 17 percent other parties. However, a sizable group of voters—21 percent of those polled—were still undecided.

Whatever the outcome, the election will be watched closely by Americans. U.S. businessmen and investors have a huge stake north of the border. At the end of 1960, U.S. investments in Canada totaled \$16.9 billion, up 64 percent from 5 years earlier. U.S. interests owned or controlled 44 percent of Canada's manufacturing industry, 53 percent of mining, and 69 percent of petroleum. Trade between the United States and Canada is important, too, with each nation being the other's biggest customer. Last year the value of the two-way flow exceeded \$7 billion.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 24, 1962
For actions of May 23, 1962
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CONTENTS

Communications.....4	Homestead.....6	Reclamation.....10
Dry milk.....21	Housing.....20	Retirement.....19
Education.....8,22	Libraries.....18	Rural America.....16
Employment.....19	Loans.....20	Sugar.....3
Farm program.....1,11,13	Milk.....21	Surplus food.....14
Food distribution.....14	Monopolies.....17	Surplus property.....22
Foreign trade.....2,12	Peace Corps.....15	Taxation.....9
Health insurance.....7	Personnel.....19	Transportation.....5

HIGHLIGHTS: Senate debated farm bill. Sen. Fulbright criticized European Common Market policies restricting U. S. agricultural imports.

SENATE

1. FARM PROGRAM. Continued debate on S. 3225, the farm bill. pp. 8315, 8320-46, 8352-63, 8366-71

Sens. Young, N. Dak., Humphrey, Williams, Del., Fulbright, Morton, and Keating submitted amendments intended to be proposed to this bill, S. 3225. pp. 8304-6

2. FOREIGN TRADE. Sen. Fulbright discussed future U. S. relations with the European Common Market, stated that the "Common Market movement to impose a system of variable levies on some of our farm products ... is a giant step toward protectionism. This policy not only adversely affects the United States but will also work against the long-range interests of the European Economic Community," and urged that "we adopt positive policies to assure the establishment of trading principles which will allow U. S. goods equitable access to this market." pp. 8313-4

3. SUGAR. The names of Sens. Magnuson, Moss, Dworshak, Jackson, Hart, Talmadge, Hickey, McGee, Church, Bible, Smith (Mass.), Kuchel, Young (N. Dak.), Bartlett, Butler, Bush, Saltonstall, Muskie, and Scott were added as additional cosponsors of S. 3290, the Ellender sugar bill. pp. 8306-7

4. COMMUNICATIONS. The Commerce Committee voted to report (but did not actually report) with amendments H. R. 11040, to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system. p. D398
5. TRANSPORTATION. The "Daily Digest" states that the Commerce Committee "announced that it would hold hearings, probably in late June, on S. 3242 and S. 3243, the administration's transportation bills." p. D398
6. HOMESTEAD. Sen. Hruska inserted an address by Postmaster General Day at ceremonies commemorating the centennial of the Homestead Act, including remarks on the importance of this Act in the development of domestic agriculture. pp. 8309-12
7. HEALTH INSURANCE. Sen. Humphrey commended and inserted editorials commending proposed legislation to provide a health insurance program for the aged. pp. 8349-52

HOUSE

8. EDUCATION. The Education and Labor Committee reported without amendment H. R. 11707, to amend the act creating the land-grant college system to eliminate the provisions thereof authorizing Federal contributions for the maintenance of schools of higher education in which racial segregation is practiced (H. Rept. 1727). p. 8438
The Education and Labor Committee voted to report (but did not actually report) H. R. 10056 (amended), relating to construction and maintenance and operation of public schools in federally impacted areas; H. R. 11340 (a clean bill introduced in lieu of H. R. 4386), to provide for a program to assist the several States in further developing their programs of general university extension education; and H. R. 10145 (a clean bill to be introduced), to improve the quality of elementary and secondary education. pp. D399-400
9. TAXATION. The "Daily Digest" states that the Ways and Means Committee "Met in executive session and ordered reported favorably to the House H. R. 11879, to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates." p. D401
10. RECLAMATION. Passed with amendment S. 107, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian Irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River Storage project. Tabled a similar bill, H. R. 7596, which was passed earlier without amendment. pp. 8372-81
The Interior and Insular Affairs Committee reported with amendments S. J. Res. 151, permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyo. (H. Rept. 1728). p. 8438
11. FARM PROGRAM. Rep. Roudebush criticized USDA dealings with Estes, saying, "The recent decision of the Department of Agriculture to remove all grain from Estes-controlled storage facilities is an admission by the Department that their past policies have been tinted with favoritism and apparently against the best interests of the Nation." p. 8435
12. FOREIGN TRADE. Rep. Reuss discussed the proposed Trade Expansion Act of 1962 in relation to the Common Market and said, "Serious injury to U. S. exports

ligence quotients, their geographic origins, the solidity of their home backgrounds, their military ranks, the religious affiliations emblazoned on their dog tags—none of these, our research showed, were differentiating factors. Our need for simple explanations of complex phenomena could not be satisfied here. The Army's Korean POW's were clearly composed of men not unlike the members of any random American group—city slickers, country folk, the rich, the poor, the devout, the pagan—an amazingly small number of whom took the avenue of least resistance when the going got rough enough.

In the final analysis, the behavior of an American POW in Korea bespoke a response to awful stress that springs from the very fabric of one's being, from all of the intricate and intertwining personality traits and value systems that are incorporated by us all through a process of psychological osmosis.

What, for example, motivated a few of our POW's in Korea to inform on their fellows? Eleanor Roosevelt saw here a direct reflection of the quality of American education; the collaborator, it follows, suffered inadequate education, while the resisters profited from superior training. Perhaps so; I rather doubt it. Nor am I convinced, as others claimed, that the POW statistics demonstrate that our religious leaders have let us down, or our athletic directors, or, indeed our pathogenic mothers and fathers.

Psychoanalytic explanations are inappropriate here. The behavior we regarded as so repulsive to our conscience might be understood, for example, in purely contemporary terms, as only geographically distant from a society in which those refusing to point the finger of guilt in the direction of their fellows ran the risk of punishment. The era of McCarthyism, it should be noted, did not pass unexploited by the captors of our men.

In searching for the answer, a penchant for seeing the world in black and white came through clearly. Our tendency to see all issues in unqualified terms, all dramas as peopled by the good guys and the bad guys, stood out in bold relief in the national consternation over our repatriated POW's. Our concern was almost entirely with the participant and the resister—equated in the public mind (though not in reality) with the moral and ideological weakling and the selfless hero.

The fact that these two groups of prisoners together comprised less than 20 percent of the returning prisoner population was somehow disregarded. Forgotten was the bulk of our men—the middlemen, or "fence-sitters," as they were called—men less intelligent than either the collaborators or resisters, men who blended with the scenery, "played it cool" and rode out the storm without committing themselves to any action. Here were thousands of Americans, it would seem, who represented an extension behind barbed wire of those millions of us who make up the lonely crowd—the inert, the inactive, the indifferent, the uninformed.

Our evidence is that the middle men differed considerably from both of the extreme groups, the latter being strangely alike in some basic ways. Psychological test data, for example, suggested that both the collaborator and resister had greater latent psychopathic proclivities than fence sitters. They were men, that is, who had to act on their conflict, in any direction, whether it was by making a propaganda broadcast or by punching a Chinese guard.

The great mass of our men, on the other hand, simply withdrew as best they could. They resisted only little, seldom collaborated and received neither the preferential treatment of the collaborator nor the punishments of the resister. And, interestingly, there is evidence that they went into the Army with a propensity for inaction, a tendency to avoid close social contact of any sort and to bypass conflict situations. There

were, for example, more single men among them than among the remaining prisoners, and their histories show less frequent participation in athletics and clubs.

It seems clear that most of the men sent to Korea were without a strong capacity for self-commitment, without either a well-defined pro or a con in their being. In terms of military training, the challenge would appear as much to arouse the soldier as to deter him from negative action, and our lack of emotional concern with the fence-sitter group bespeaks a strange and frightening regard of inaction as an acceptable mode of behavior. There is a strong suggestion here that the withdrawal of personal involvement in issues of national importance was a way of life so much a part of us that its reflection in Korea raised nary an eyebrow.

With our national defense mechanisms shorn away, it becomes clear that the Communists laid bare in their barbed-wire laboratory a spectrum of American behavior—from collaboration to fence sitting to resistance—along which each of us can find a place. These were not 7,000 rare and strange men; they were part of us. They were part of a decade in which informing on one's fellow, even under the television lights in a Senate hearing room, could be a piece of behavior to be rewarded; in which the safest, most acceptable action was often to join the lonely crowd and sit, uninvolved and uncommitted, on the sidelines, and in which assertive resistance to threat and blackmail—as in the air space over Berlin or in Korea itself—was not only possible but fruitful.

Our readiness to sit in uninformed moral judgment on our repatriated POW's was, I believe, the only shameful element of the entire episode. None of us can fairly condemn the men who suffered the indignities and privations of Korean captivity. Yet many did, without even secretly questioning how they would have cast their lot.

The dawn of the orbital age does not yet eliminate the possibility that future Koreans will be encountered in our Nation's struggle for equilibrium with the East; new chapters in the psychological conflict between Communist and American human beings may yet be written. Whatever the merits of the arguments now being set forth about military information and education programs, we cannot expect our uniformed leaders alone to transmit, de novo, the knowledge and the values that make for excellence in the citizen soldier. Before we dare again to point the finger of guilt at those of us whom we send to do battle—hot or cold—we must strive collectively to understand the motives and the goals of our potential adversaries.

As Marine Commandant Shoup has suggested, we must expect our military leaders to train soldiers not so much to hate as to fight, with all the skills and cleverness that any kind of confrontation may demand. Our men trapped in Korean captivity could have better used a repertoire of techniques for escape and evasion than an aggressive textbook on comparative political ideologies. Most important, the stance of self-sacrifice so prized in battle must be born of us all.

PROVIDENCE PRESERVATION SOCIETY

Mr. PELL. Mr. President, I invite attention to a wonderful and courageous work on the part of the Providence Preservation Society. More than 900 public spirited citizens labored together for 6 years to restore historic Benefit Street to a semblance of its former beauty. These historical and architectural gems had been almost destroyed by time and inattention. More recently,

while many restorations have taken place in the College Hill district, no project has been as spectacular as the rescuing of this northern section of Benefit Street.

"A Mile of History" is justly applied to Benefit Street and adjoining North and South Main Streets, and it is with pardonable pride that Rhode Islanders point to the houses of those responsible for the early development of our State. Of particular interest are such homes as that of John Howland, a close friend of Paul Revere and a leader in the movement to establish free public schooling on this continent. Perhaps the most imposing residence in the north Benefit Street area was the home of Thomas Dorr, leader of the 1842 Dorr Rebellion to establish universal male suffrage.

However, I would like to emphasize that the work of the Providence Preservation Society has more than local significance because, through its efforts, new conceptions in urban renewal and historic preservation have come about. The College Hill Study, which was made possible by a grant from the Federal Government, led to the new interpretation that, in urban renewal, all buildings need not be torn down. The principle was established that, when such buildings are significantly historical, restoration may take place and the work may still fall under the urban renewal program. Naturally, the structure's architectural merit, relationship to its surroundings and physical condition, would also be taken into consideration.

Mr. President, let me state that all of us in Rhode Island are greatly indebted to the endeavors of such leading citizens as John Nicholas Brown, Mrs. William Slater Allen, Mrs. D. Eldredge Jackson, Jr., Washington Irving, and Mrs. Antoinette F. Downing. Through their hard work and civic pride and enthusiasm, the symbols of the past are being restored for everyone to see, that we may be reminded of the glorious heritage and the grave responsibilities that are ours.

It is my fervent hope that in the years ahead, the Providence Preservation Society will not only continue the great work it has done in the past, but may even accelerate its program of restoring historical Providence. It is my belief that all Rhode Islanders, yes, all Americans, should take pride in the history of Providence and that they will join with those who are working directly in these projects in bringing the ideas of the Providence Preservation Society to full fruition.

PRIVATE ENTERPRISE ENTHUSIASTICALLY SUBSCRIBES TO EXPORT-IMPORT BANK OFFERING

Mr. JAVITS. Mr. President, within the last month a heartening but little-noted event has demonstrated the great reservoir of U.S. private enterprise interest in and support for the program of the Export-Import Bank under President Harold F. Linder. I refer to the recent development by the Bank in an attempt to stimulate greater participation of commercial banks in the business of the Export-Import Bank, of a portfolio fund, which permits commercial

banks to invest in the program and thereby reduce the amount of Treasury borrowing by the Export-Import Bank.

The portfolio fund consists of a pool of maturities falling due over the next 10 years. During April the Bank invited the more than 70 commercial banks in the United States which had previously joined in the Bank's financing operations, to purchase certificates representing interests in the fund. The certificates bear annual interest at the rate of $4\frac{1}{4}$ percent, and the initial offering was in the amount of \$250 million.

It is extremely gratifying for those of us who are convinced of the private enterprise potential of this Nation that the offering was oversubscribed three times. A total of \$300 million in certificates was in fact issued. This is indeed a striking demonstration of the confidence of the commercial banking community in the Bank's program and in the great export potential of the United States.

I ask unanimous consent to include in the RECORD the Export-Import Bank's announcement.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE FIRST EXIMBANK PORTFOLIO LOAN FUND

A new departure in providing funds to finance the Bank's operations and to increase the participation of commercial banks in export financing was initiated last month. Eximbank created a \$250 million pool of loans which it had outstanding of approximately 10 years maturity and offered commercial banks which previously had joined Eximbank in export financing the right to buy participation certificates bearing interest at the rate of $4\frac{1}{4}$ percent. In turn, these participations may be sold by the commercial banks to their correspondents. Eximbank has made provision to repurchase at the end of $2\frac{1}{2}$ years, and at semiannual intervals thereafter, the certificates sold; at the same time the Bank has reserved the right to call the certificates on corresponding dates.

The Bank undertook to fill all subscriptions up to \$2.5 million to enable the smaller banks to participate fully. The issue was substantially oversubscribed and since the Bank reserved the right to allot up to 20 percent more than the original \$250 million offering, subscriptions to the extent of \$300 million were accepted.

In commenting on the offering of the participation certificates, Eximbank President Harold F. Linder stated that it was consistent with the congressional mandate of Eximbank which requires the Bank to supplement and encourage private capital. The Bank portfolio fund was established within that spirit, to make possible a broader participation by commercial banks in Eximbank lending operations. It is believed, Mr. Linder also stated, that the distribution of these certificates will result in a broadening of interest among U.S. commercial banks in facilitating the export of our industrial products, thus contributing significantly to our national objectives.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there further morning business? If not, morning business is closed.

FOOD AND AGRICULTURE ACT OF 1962

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is S. 3225.

Without objection, the Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. EASTLAND. Mr. President, before the debate is over, I will offer an amendment to the proposed Ellender amendment on feed grains which will provide that a farmer can grow on his own land feed grains for consumption on that land without price support.

It appears to me that we should not deprive a man with a herd of cattle of the right to grow feed for his own cattle. I do not believe that the Senate is prepared to further adopt the Russian system. That is what is involved in the mandatory feed grain provision.

The amendments of the committee chairman, for whom I have the highest regard, are supported by a minority of the Committee on Agriculture and Forestry. In fact, these amendments, after weeks of testimony and about 2 weeks of deliberations by that committee, were stricken from the bill. They were found by the majority of the committee to be not in the public interest.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. HOLLAND. Does the Senator from Mississippi have any idea, even a remote idea, that the majority of the committee would have reported the bill favorably if the provisions in the original bill affecting feed grains and wheat had not been stricken or largely changed by a majority action before the final vote?

Mr. EASTLAND. There is no question about the fact that the bill would not have been reported to the Senate with those provisions in it. If a committee ever studied and worked hard on a proposal, the Committee on Agriculture and Forestry worked on these proposals and defeated them.

The Department of Agriculture says that 75 percent of the feed grain production in this country is consumed on the farm. Eighty-five percent is consumed on the farm in the localities where it is grown. These are farmers that grow part of their feed grain requirements, and then buy a few bushels on the outside. Why put them into a straitjacket? Why destroy them in order to get at the 15 percent who are overproducing? That is where the problem is.

Mr. President, I am opposed to the proposed amendment that would strike the voluntary feed grain provisions currently in operation and extend them for 1 year in this bill and that would substitute permanent mandatory feed grain provisions.

First, the provisions of this bill were submitted to Congress by the U.S. Department of Agriculture and enacted into law for the 1961 crop year. The

administration hailed this program as a success and recommended its extension. At their request the provisions were extended to this crop year and the results are even more impressive. The farmers understand this program, they are participating in it, and apparently they like it.

The idea of compulsion, which we find in the amendments that will be offered, is foreign to the American system. Mr. President, I say to you, sir, that we should have a voluntary program, which is now the law.

It is said, "We have a 6-month supply of feed grains ahead of us." What is a 6-month supply, Mr. President? We ought to have a 6-month supply. It is in the national interest that we do have a 6-month surplus on hand.

The Department reports that on April 12, farmers had signed up to put in 43.2 percent of their feed grain base. Out of a total of 2,763,795 farms producing both corn and grain sorghum, 1,194,077 were entering the program. This million farmers signed up to reduce their corn plantings by 22,321,800 acres and grain sorghum farmers signed up for 6,653,100 acres, for a total of 28,874,900 acres. This is an increase in the number of farms signing up and in the number of acres retired for both corn and grain sorghum over the previous year.

The effectiveness of this program has been stated by the Department of Agriculture to the effect that feed grain supplies will be reduced approximately 200 million bushels. This was brought about by a reduction of approximately 500 million bushels in total production from the retired acres. I agree that this program is effective. In any year in which we can reduce our feed grain supplies by $7\frac{1}{2}$ million tons we have made substantial progress. The increased acreage retired this year would indicate that even more progress will be made. This is an encouraging outlook because of the increasing consumption of feed grains in our livestock and poultry industries, which I will discuss later.

Mr. President, this amendment would provide a mandatory program of feed grain reductions with penalties applied against the farmer on production above his allotment assessed at 65 percent of the parity price on his normal production. This penalty would coerce farmers into compliance with the program if it passed in a referendum. In a great many instances it would prevent farmers from growing the necessary feed grains for the livestock on their farms. Farmers could not afford to grow their feed grain requirements, incurring the costs of production and then paying a penalty of its market value in dollars.

I submit, and I will cite figures later to show it, we have a great number of work stock on the farms in every area of the United States. In many instances, if compulsory feed grain legislation is enacted farmers will be unable to grow the grains necessary to feed their own livestock, their own work stock.

The adoption of this amendment, then, would force farmers who have previously grown their own feed to reduce their cattle, hog, dairy and poultry

production to the same extent that they would be coerced into reducing feed production.

When we grow less feed grain, fewer cattle will be produced. Then what happens? The price goes up. When the price goes up, what happens? Imports come into the country. Cattle and meat products come in from Canada and Mexico in tremendous numbers, as I am going to show in a minute.

Cattle and other livestock from those countries are not fed the feed grains produced in the United States. In fact, the proposal would tend further to aggravate the surplus in those commodities.

The farmers' only alternate would be to enter the market and purchase the feed, that under this program they could not produce, at the market price, plus freight and handling costs. This would necessarily increase their livestock production costs and at the same time would deny them the full use of their capital investment in land, production equipment, livestock facilities, and marketing facilities. These increased costs would necessarily be passed on to the consumers, or the alternative would be to further reduce the farmer's margin of profit, which is now the lowest of any segment of our economy. I am reasonably sure that those farmers who have signed up to reduce their grain production are commercial grain producers. The farmers who are growing livestock have not entered this program, or if they have, they have had to sell off part of their livestock.

Mr. President, I object to this amendment because the application of it would freeze the production of feed grains on and to present farm operations. New farms would be deterred from producing feed grains. Those with allotments would have to plant that allotment in order to protect the right to produce in the future. Voluntary reductions in feed grain production could not be made. The rotation of crops could not be fully practiced for the purpose of developing and conserving our soil and water resources.

In the South, in the past several years, 28 million acres have been taken out of cotton. That land has largely gone into the raising of livestock. There is in this country a continuing demand for livestock. The feed grain amendment would stop dead in its tracks the expansion of the livestock and dairy industry into the South. There is a demand—there is a necessity—that livestock production in the United States be increased.

Mr. President, I further object to the amendment because its application would also work an extreme hardship in the Southern areas of the country. In the South farmers rotate soybean and oat production. This is necessary because with our climatic and soil conditions oats cannot be grown on the same land continuously. Small grain fields, after the second year, tend to become infested with vetch and other winter cover crops and with murdock and other obnoxious weeds. After the second year in small grains the land must be put into row crops that are clean cultivated in

order to eradicate these broadcast crop pests.

It is not uncommon for a farmer in the South to switch his oat production to soybeans at fairly regular intervals. The adaptability of the land, drainage problems and other factors will cause a variation in the amount of small grains and soybeans planted from year to year. Normally after 2 years of clean cultivation land can be put back in small grains where it provides grazing during the winter and contributes both grazing and grain to livestock production.

The freezing of crops to the land that would be brought about by this amendment would be a deterrent to our changing agriculture. The ability of our farmers to shift crop production to meet market demands here at home and abroad has constituted one of our greatest strengths in dealing with international problems. The use of agricultural commodities through Public Law 480 sales for economic developments in foreign friendly countries has done as much to cement those friendships as has our progress in atomic weapons. The freezing of crops to the land would prevent our farmers changing from grains to grass and other crops as new and improved and adapted varieties are developed to fit our climatic and soil conditions.

An allotment becomes capitalized in the land. It affects the value of a farm. I know that in many instances crops which are under allotment—for example, cotton and rice—are planted solely because the farmers desire to protect and preserve their allotments. That is what would happen if the feed grain amendment were adopted.

Mr. President, I am convinced that the program envisaged in this amendment would produce more grains. The allotments would become capitalized in land values as the right to produce becomes restricted. We have seen this happen with crops under acreage controls. This is particularly true in the case of tobacco and cotton, and in some instances in the case of rice. I know that in the case of cotton, farmers have bought adjacent land in order to obtain a larger cotton allotment for more economic and profitable production. I think the combining of cotton, grain, and cattle farms throughout the Nation is a result of this need on the part of our farmers. In the case of cotton farms, they can be combined where farms are leased for long periods of time and the allotment worked on the better land.

Farms in the cotton and tobacco producing areas without allotments are worth considerably less than those with substantial allotments on a per acre basis. In many instances where the entire farm cannot be bought or leased, farmers lease the cotton or tobacco allotments separately from the rest of the farm at very high rentals.

In cotton, we have endeavored to avoid forcing the producer to plant his allotment in order to protect his right to plant. Some years ago we provided that a cotton farmer could surrender his allotment to the county committee for re-

allocation and protect his history of planting for allotment purposes. Under this provision the farmer must plant a measurable amount of cotton once every 3 years in order to retain the allotment for his farm and to retain the value of the allotment for future years.

No such provision for surrendering allotments and protecting them for history purposes is contained in this amendment.

WILL GET MORE GRAIN

It follows, therefore, that the grain farmer with an allotment would have to plant it and produce the grain. This is not the way to obtain reduced production in crops that are in surplus. Much land which would be planted to grain crops would otherwise be switched to crops for which there was a higher market demand, and on which could be realized a greater profit.

A further objection to this amendment, arising out of the conditions I have just discussed, is that it would increase the farmer's costs of production and would aggravate the cost-price squeeze in which he finds himself. First, the reduced volume of production would have to bear an amount of taxes and capital invested in farm machinery and facilities equal to that which the present base now bears. Mr. President, it is perfectly obvious, from my own personal experience, that the smaller the acreage in a revenue-producing crop, the higher the per-unit cost of production; and a higher unit cost of production will offset a moderate increase in price. In fact, it will not increase the farmer's net profit. The only saving the farmer might make would be in labor costs. The larger farmer who requires outside labor could take advantage of this one adjustment. The family farmer who provides his own management and labor would simply find himself further unemployed. This condition would further stimulate the combining of farms and the movement of farmers to urban areas, seeking industrial employment.

Under the voluntary provisions of the bill, the farmer would have a choice: Those with livestock could produce according to their needs. Those producing for sale could reduce their production, as they are doing now, and thus contribute to the solution of our surplus grain problem.

Adoption of the proposed amendment would bring about two very unpleasant situations: First, it would increase the farmer's costs and would lower his net income, as I have just pointed out; second, it would increase consumers' prices, and thus would raise the cost of living. It is my understanding that we want to avoid both of these conditions. Certainly this is my purpose, and is the basic reason for my support of the provision of the bill which has so graphically demonstrated that it can reduce our surpluses, maintain farmers' income, and permit farmers to exercise a choice in the utilization of their land and capital resources.

Mr. President, we have been told that to adopt this amendment, with its restrictive provisions and controls, would

simply be to apply to feed grains the same methods that currently are being applied to cotton, tobacco, rice, and peanuts. These commodities do have mandatory programs. They are suffering from some of the ills I have mentioned previously, such as capitalizing the allotments in the land. We have been told that farmers are satisfied with these programs; and this is partially true. However, when the rest of our cropland is placed under mandatory control programs, and when the farmers' ability to use their land base to produce crops for the markets is reduced, we shall run into opposition. To further restrict their base of operations would affect their production of livestock and livestock products, and would so straitjacket agricultural production for the future that I believe farmers would rebel. It would prohibit farmers from exercising their judgment and from utilizing research information to develop new crops and varieties which have enabled the farmers to produce so abundantly to meet our needs and those of the countries allied with us in our effort to preserve human freedom.

I know that cotton farmers in Mississippi who visit me while I am at home and who come to Washington annually, or who through their organizations make their petitions concerning cotton acreage allotments and price supports, do not want the remainder of their land regimented in this manner.

I wish to point out a further difference between feed grains and these controlled commodities: The combined acreage of cotton, tobacco, rice, and peanuts is less than that planted to either oats or barley. The combined acreage is less than half of that planted to corn; and in dealing with the feed grains, we are talking about an acreage more than four times as large as that involved in all these controlled crops.

There is another substantial difference between feed grains and these crops. All of the cotton, corn, tobacco, rice, and peanuts are produced for the commercial market and are consumed off the farm. We are told by the Department of Agriculture that 75 percent of the feed grains produced are consumed by livestock on those farms. Eighty-five percent of all feed grains are consumed in the immediate area of production. Only 15 percent of the production, then, moves into commercial channels of trade outside of the immediate production area. So the production lies with that 15 percent. Certainly, Mr. President, all farmers who produce feed grains should not be put in a straitjacket, should not be placed under bureaucratic control, in order to reach the 15 percent who have created the problem. Instead, we should deal directly with the 15 percent. This is the reason why mandatory controls have never been applied to feed-grain production. Grain farmers who feed all of their production, and oftentimes buy additional grain, would be opposed to this program. I am not at all sure but that these farms representing 75 percent of feed-grain production, would vote down these mandatory controls, along with the coercive restrictions their land

and capital utilization would receive. This is a danger we must assess before we vote such restrictions into law.

I have already pointed out that enactment of this amendment would prevent further expansion of livestock production in the southern areas of the country. I should like to document the exodus from cotton restrictions to more profitable farming enterprises in the South. I should like to start with my own State of Mississippi, to illustrate what is happening. I have before me the 1961 Annual Report of the Copiah County ASC Committee. This report states that the cotton allotment for the county in 1961 was 9,495 acres, to be allocated to 1,673 eligible farms. Eight hundred and eighty-six of these farms released all or part of their allotments. This was done by more than half of them, and they released a total of 4,304.5 acres; 1,293.8 acres of these allotments were reallocated to the farms in the county, and 2,663.6 were released to the State ASC committee, for reappportionment to other counties requesting acreage.

This is an amazing transition of cotton allotments moving from farms in south Mississippi, until we look at the alternatives that farmers are choosing. The same report indicates that 117 farms used ACP money to establish permanent pastures on 682 acres of land. This utilized over 12 percent of the available ACP funds in the county. Nine hundred and six farms used these funds to improve 7,896 acres of existing pastureland, which used 73 percent of the ACP funds. A total of 85 percent of the available ACP funds in this county were used to establish or improve pastures on over 1,000 farms during the year, at the same time when these farmers released 4,300 acres of their cotton allotment.

This transition is not taking place in Mississippi alone. Last year the farmers in North Carolina released 17.9 percent of the State's allotment, or 90,600 acres. These acres were reallocated to other farmers within the State. However, the farmers who planted cotton underplanted their allotments by 10.2 percent, or 51,800 acres. It is not amazing that these same North Carolina farmers who underplanted their cotton allotments increased their cattle numbers by 12,000.

Throughout the States of the Southeast last year, as cotton was underplanted, there was a direct relationship between that fact and the increase in beef cattle production, because it takes three to three and a half to four acres of land on which to pasture a cow.

I submit again that the adoption of the amendment will be a very disruptive blow to a further expansion of livestock production in the southern States, and that we are taking no one's market when we enter this field, because consumption is constantly increasing both because of per capita consumption and the increasing population of the country.

In South Carolina cotton farmers released 85,100 acres, which were reapportioned within the State. The farmers who had cotton planted on their farms underplanted by 111,200 acres, or

14.3 percent of their allotment. During this same year they increased their livestock numbers by 15,000.

Georgia cotton farmers released 140,300 acres, which were reapportioned within the State, but the farmers planting cotton underplanted by 181,100 acres, or 19.1 percent of their allotment. During this same year, they increased their cattle numbers by 55,000.

There is a direct relationship between underplanting of cotton and putting the land to the more profitable production of livestock; and the farmers must be able to expand their feed grain production in order to do that.

Alabama farmers released 151,000 acres, which were reallocated in the State, but the farmers planting cotton underplanted by 127,500 acres, or 11.7 percent. During this same year they increased their cattle population by 35,000 head.

In other words, it takes 3 to 3½ to 4 acres of land to maintain a cow. Such production gives the farmers a higher standard of living. If we adopt this amendment, in my judgment we destroy the expansion of livestock production in the Southern States.

This shifting of livestock and crop production to meet consumer needs in the marketplace is not new. I know that farmers prefer to produce for the market rather than for Government storage. However, the farmer produces for a profit, because his production constitutes his livelihood. Farmers do seek those market outlets that will provide them the greatest continuing opportunity to use their agricultural plant. This has brought about a shift in our agriculture toward livestock and poultry production in recent years.

I ask unanimous consent to have placed in the RECORD at this time a table which shows this growing production and market.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1950 ¹			
	Production	Consumption	Per capita
	Million pounds	Million pounds	Pounds
Beef.....	9,534	9,529	63.4
Pork.....	10,714	10,390	69.2
Chicken.....	3,174	3,097	20.6
Turkey.....	615	612	4.1

¹ Population figures: 150,200,000 people.

1961 ²			
Beef.....	15,250	15,826	87.8
Pork.....	11,475	11,293	62.6
Chicken.....	5,800	5,447	30.2
Turkey.....	1,550	1,386	7.7

² Poultry items: Ready-to-cook basis. Beef and pork: Carcass weight. Population figures: 180,300,000 people.

INCREASES AND DECREASES FOR 12-YEAR PERIOD

Beef.....	+5,716	+6,297	+24.4
Pork.....	+761	+903	+6.6
Chicken.....	+2,626	+2,350	+9.6
Turkey.....	+935	+774	+3.6

Mr. EASTLAND. This table, with the information obtained from the Depart-

ment of Agriculture, shows that beef production increased from 9,534 million pounds in 1950 to 15,250 million pounds in 1961, for an increase of 5,716 million pounds. This increased production, however, did not keep step with demand. Consumption increased from 9,529 million pounds in 1950 to 15,826 million pounds in 1961, for a gross increase of 6,297 million pounds. This demand exceeded the production increase. It was brought about partially by the 30,100,000 increase in our population. However, the greatest increase was brought about by the net increase of 24.4 pounds in per capita consumption. This increase in per capita consumption was made possible because the relative cost of beef as measured by the consumer's income was favorable. Livestock farmers are producing profitably at these favorable prices and are demanding that we not interfere with their free production and market situation.

The most amazing development in this 12-year period has been the increase in the production of chickens and turkeys, both of which have increased their production and consumption nearly 100 percent. Many of the small farmers of the South have now abandoned their cotton production for grain and are now marketing it through chicken brooder houses on the farms. Per capita consumption of chickens has increased from 20.6 pounds to 30.2 pounds, and total consumption has increased from 3 billion to 5½ billion pounds annually during the period. This is an operation quite comparable to that of the feed grain producer in the Midwest marketing his production through beef cattle, hogs, and dairy cattle. It provides a method of increased income for these small farmers who are trying to stay on their land.

The effects of the passage of this amendment would be to reduce feed grain production to the extent that prices to livestock and poultry producers would be substantially increased. Livestock convert feed grains into beef, milk, pork, and poultry. These meats provide a major portion of the proteins in the American diet. With increased feed grain costs, livestock products would necessarily increase in price to the consumer, or the producer would be forced out of business, resulting in diminishing supplies. The price-cost squeeze in which he finds himself would be increased to the point that the farmer could no longer operate.

In either case, whether we drive him out of business or increase his costs, the price of beef, pork, milk, and poultry for the table would be increased. The consumer would have the alternative of meat imports or of using grains themselves for their protein requirements. Regardless of the consumer's choice, the consumption of feed grains would be substantially reduced and our feed grain problem would be further aggravated.

I would like to point out that there is competition for the market basket dollar. There is competition between livestock products and the cereals. There is also competition between domestic livestock producers and foreign producers. Price

is the determining factor. In 1952, when our livestock numbers were plentiful and our prices reasonable, manufactured beef imports into the United States amounted to only 31,500,000 pounds. Beef cattle prices were low in relation to feed grain prices, and our farmers began liquidating excess cattle. By the end of 1959 our livestock numbers had been decreased, and our prices had advanced to the point that imports of over 600 million pounds came into the country. Imports will always come in to prevent our prices from getting out of line, but when they do they displace U.S. production and income to the U.S. farmer. They reduce production and they reduce income of the feed grain farmers.

The same price detriment applies to live cattle. Most of the imported beef animals into the United States come from Mexico and Canada. When our cattle numbers were high in this country in 1956 our imports from both Canada and Mexico of live animals, primarily for our feed lots, amounted to 175,000 head. After the liquidation of our excess breeding cattle and our prices had recovered in 1958, the import of feeders from these two countries was over a million head.

Mr. President, this foreign manufactured beef and these foreign cattle, until the time of their import, did not consume American-produced feed grains nor did they contribute to the agricultural income of U.S. farmers. Price can export a production opportunity of farmers for meat products and for grain markets. Price can also cause consumption in this country to shift between food products. In any event, the income of American farmers in 1958, due to the import of manufactured and live cattle, was not what it could have been. I cannot vote to sentence grain farmers, ranchers and consumers to a lower income and to higher prices through the adoption of the proposed amendment.

In order that the RECORD may be clear and informative, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks two additional tables.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. EASTLAND. Mr. President, the first table pictures the cattle situation by States, including beef cows, beef cattle and all cattle combined for the years 1961 and 1962 on January 1. These figures were obtained from the U.S. Department of Agriculture by the American National Cattlemen's Association.

The second table shows the number of farms and the number of horses and mules by States according to the Census of Agriculture taken in 1959. Combined here we have the work stock for production and the beef and milk plant on which we must depend for the animal products in our diet.

Mr. President, I say that, if the proposed amendment is agreed to, in many instances farmers will be unable to grow on their own farms the grain to feed the livestock which work that farm.

Mr. ELLENDER. Mr. President, would the Senator mind yielding for a question?

Mr. EASTLAND. Not at all.

Mr. ELLENDER. How does the Senator come to that conclusion? Evidently the Senator is not familiar with the amendment I intend to offer with respect to feed grains. As the Senator knows, there is to be an exemption of 25 acres for each farm.

Mr. EASTLAND. Yes.

Mr. ELLENDER. In the State of Mississippi that would include 82,176 of the total of 92,308 feed grain farmers. These would not be affected at all.

Mr. EASTLAND. I know. There are in Mississippi 140,930 horses and mules on farms. I think I know something about the situation. I know there are many farms which will not be able to grow grain to feed that work stock.

Mr. ELLENDER. The Senator is also familiar with the fact that the bill would not affect pastures in any manner, is he not?

Mr. EASTLAND. A farmer cannot work a mule or a horse off a pasture. I think it is obvious the horse or mule has to be grain fed if he is going to pull a plow.

Mr. ELLENDER. The Senator has mentioned pastures as though they would be affected by the passage of the bill.

Mr. EASTLAND. Of course the pastures would not be affected. I made no such statement. What I said was that the amendment, by limiting feed grain production, would drastically curtail the expansion of the livestock industry in the South. I pointed out that the land which was going out of production of cotton was going into pasture.

Mr. ELLENDER. I understand that. That has caused the cattle industry to increase in the South, particularly in the State of Mississippi. As I have indicated before, the bill would not prohibit the planting of oats in any quantity a farmer desired. The farmer could also plant all the rye he desired, or wheat for grazing also.

Mr. EASTLAND. Yes. Oats are not nearly as efficient as corn or barley as a feed.

Mr. ELLENDER. The Senator will remember that he objected to the inclusion of oats in the committee.

Mr. EASTLAND. Yes; I objected to oats.

Mr. ELLENDER. I had the Senator in mind in this regard, when I drew up my amendment.

Mr. EASTLAND. I objected to oats in the committee. I also objected to corn, to barley, and to rye. I objected to this amendment, and the committee rejected this amendment.

Mr. ELLENDER. In respect to barley, the Senator also knows there is no prohibition against planting all the barley a farmer desires, for grazing. In this case, though, a farmer must come into compliance within 30 days of harvest time. The farmer cannot harvest that barley.

Mr. EASTLAND. I know, but a farmer cannot establish a livestock in-

dustry on grass and pasture. It takes some grain.

Mr. ELLENDER. The Senator indicated a while ago, and it has been said by quite a few Senators, that 85 percent of the feed is fed in the vicinity where it is grown.

Mr. EASTLAND. There is a demand for that increased production.

Mr. ELLENDER. I ask the Senator why it is that as many as 85 million tons of this commodity have accumulated and are now in the hands of the Government, at a cost of over \$3 billion. The accumulation is what I am trying to stop.

Mr. EASTLAND. May I answer the Senator's question?

Mr. ELLENDER. Surely.

Mr. EASTLAND. It has accumulated over the past 11 years.

Mr. ELLENDER. Yes.

Mr. EASTLAND. I know.

Mr. ELLENDER. That is the argument against it.

Mr. EASTLAND. Eighty-five percent of it is consumed locally. Seventy-five percent of it is grown on the farms. Why should we hit every farmer, when only 15 percent are involved?

Mr. ELLENDER. The exemptions to be provided in the amendment are such that the proposal would not affect the Senator's State, in my humble judgment, to any appreciable extent.

Mr. EASTLAND. In my humble judgment it would. It would be a sledge hammer.

As I said, we have produced milk for the New Orleans milkshed. We have produced milk for the Memphis milkshed. I cannot see why a farmer who has a herd of cattle, who owns tractors and owns equipment, cannot produce the grain he needs for his own cattle. Instead, the proposal would put the farmer under the bureaucrats. It would put him in a straitjacket. I think the whole proposal is manifestly unfair.

Mr. ELLENDER. May I ask my good friend another question?

Mr. EASTLAND. The Department of Agriculture says the present program has worked. The Department says it has been successful. Why not continue it?

Mr. ELLENDER. The Department said it was successful in reducing somewhat the surpluses from what they would have been.

Mr. EASTLAND. I think the program reduced the surpluses substantially.

Mr. ELLENDER. But not to the extent estimated in the beginning. The Senator knows that.

Mr. EASTLAND. I think the program has substantially reduced the surpluses. I favor a voluntary program.

I still cannot understand, since there are 85 percent who are not offenders and

only 15 percent who are offenders, why we should bring the house down on the 85 percent who are not offenders in order to hit the 15 percent who are offenders. I do not see the justice in that, Mr. President.

Mr. ELLENDER. How can the Senator justify having the Government pay support prices to a farmer to grow commodities the country does not need?

That is what we are trying to strike at.

Mr. EASTLAND. The point to hit is at the place where the commercial man operates and not where a man grows it on his own farm and markets it through livestock. Where is the justice in hitting at him? He has not done anything that he should not have done. He has not stored a bushel at the expense of the U.S. Government. All he has done is to grow for his own use, as any free American citizen should have the right to do.

Mr. ELLENDER. Much the same arguments were advanced when the cotton law was enacted, as my good friend knows.

Mr. EASTLAND. Cotton is an industrial commodity.

Mr. ELLENDER. I know that.

Mr. EASTLAND. It is an industrial commodity that is used off the farm. Rice is not consumed on the farm. The State of the distinguished Senator, my leader in agriculture, and my State are both interested in the production of rice. Production in my State is much more limited. But the Senator knows that there is all the difference in the world between the two products. The point is that cotton, rice, and tobacco are all grown for the market. Eighty-five percent of feed grains are grown for use on the farm to make the beef, pork, and animal products that our country needs.

Mr. ELLENDER. However, as I have pointed out, there is in Government hands an accumulation of 85 million tons of feed grains at a cost of \$3 billion. The amount of corn and other feed grains and wheat on hand today accounts for 78 percent of the \$1,150 million that it cost to keep such commodities in Government hands during the past year.

Mr. EASTLAND. The distinguished Senator has said—and I think he is correct—that we have on hand a 6 months' supply of feed grains. It is a godsend to our country that we have it. It is a national asset. I hope that in these troubled times we keep surpluses on hand to feed this country and to feed our allies in case of emergency.

I remember that at the conclusion of the World War there were more than 14 million bales of cotton in storage in our warehouses. That cotton served the interests of our country in a very fine way a few years after the war. We followed then exactly the road that is now being

proposed with reference to feed grains; namely, curtailment of production.

Mr. ELLENDER. It worked, did it not?

Mr. EASTLAND. It worked.

Mr. ELLENDER. Of course, it did. The proposed program will work, also.

Mr. EASTLAND. It worked? Cotton went to a price above 50 cents a pound. We had to embargo the export of cotton. We lost markets all over the world. The price went so high that foreigners went into production of cotton. The program did anything but work.

Mr. ELLENDER. My good friend from Mississippi voted for that program, as I did, did he not? A situation developed that none of us could foresee. But the Senator would not say the cotton program has not worked, would he?

Mr. EASTLAND. Of course, the cotton program has worked.

Mr. ELLENDER. Certainly.

Mr. EASTLAND. The Senator from Louisiana had a half-dozen programs. The present program worked. The program that we had before 1958 certainly did not work. The program we had before 1956 certainly did not work. The point I make is that we cannot haggle about a 6 months' supply of feed grains. We need that supply.

Mr. ELLENDER. We never had it before.

Mr. EASTLAND. We never had such conditions in the world as we have now.

Mr. ELLENDER. The record will show that we have about four times more feed grains on hand than our normal carryover. I believe that such an expense to the Government, if we do not do something about it, might affect all the other good farm programs on the statute books.

Mr. EASTLAND. The distinguished Senator from Louisiana is chairman of the Committee on Agriculture and Forestry. He handles his committee very ably. Hearings were held for weeks. We considered the bill for 10 days or 2 weeks. The distinguished Senator must realize that the committee, after mature consideration, voted down his amendments. I do not believe that a year's wheat supply is too much. I want insurance for my family. I want insurance for other Americans. One bad drought could get us into trouble.

Mr. ELLENDER. The Senator wishes to let Uncle Sam carry the bag, and I do not.

Mr. EASTLAND. Uncle Sam is not carrying any bag. It is a national asset.

Mr. President, the Committee on Agriculture and Forestry considered this entire subject. The committee voted down the proposed amendments and reported the bill. I hope the Senate will follow the same course.

EXHIBIT 1

State rankings for cattle, Jan. 1, 1962 (Hawaii and Alaska not available)

[In thousands]

1962 rank	All cattle			Beef cattle			Beef cows		
		1962	1961		1962	1961		1962	1961
1	Texas	9,660	9,379	Texas	8,712	8,423	Texas	4,496	4,374
2	Iowa	6,654	6,460	Iowa	5,250	5,036	Oklahoma	1,622	1,490
3	Nebraska	5,414	5,134	Nebraska	4,911	4,612	Nebraska	1,569	1,535
4	Kansas	4,881	4,562	Kansas	4,300	3,958	Kansas	1,383	1,264
5	Wisconsin	4,339	4,296	Oklahoma	3,230	3,074	South Dakota	1,327	1,283
6	Missouri	4,304	4,099	Missouri	3,195	3,011	Missouri	1,126	1,131
7	Minnesota	4,258	4,094	South Dakota	3,053	2,914	Montana	1,126	1,131
8	California	4,232	4,207	California	2,836	2,737	Iowa	1,028	995
9	Illinois	3,862	3,901	Illinois	2,829	2,862	California	858	851
10	Oklahoma	3,654	3,513	Colorado	2,130	2,066	Louisiana	851	834
11	South Dakota	3,460	3,327	Montana	1,990	2,028	Mississippi	838	810
12	Colorado	2,333	2,482	Minnesota	1,943	1,805	Colorado	803	795
13	Ohio	2,249	2,272	Mississippi	1,501	1,463	Florida	713	699
14	Kentucky	2,242	2,115	North Dakota	1,441	1,447	Illinois	695	681
15	New York	2,174	2,152	Louisiana	1,407	1,396	North Dakota	694	667
16	Montana	2,112	2,155	Indiana	1,400	1,386	Alabama	691	669
17	Mississippi	2,107	2,107	Kentucky	1,398	1,276	New Mexico	669	631
18	Indiana	2,103	2,103	Florida	1,272	1,265	Kentucky	628	556
19	Tennessee	1,991	1,914	Alabama	1,269	1,234	Tennessee	573	526
20	Pennsylvania	1,971	1,951	Tennessee	1,205	1,143	Oregon	572	555
21	North Dakota	1,881	1,881	Oregon	1,157	1,146	Arkansas	569	567
22	Louisiana	1,818	1,818	New Mexico	1,155	1,106	Wyoming	550	545
23	Michigan	1,752	1,718	Georgia	1,126	1,071	Georgia	540	500
24	Alabama	1,689	1,656	Ohio	1,126	1,126	Virginia	403	384
25	Florida	1,596	1,596	Wyoming	1,079	1,055	Idaho	397	385
26	Georgia	1,481	1,438	Arkansas	1,014	1,030	Idaho	397	385
27	Oregon	1,435	1,435	Idaho	983	1,013	Minnesota	383	356
28	Virginia	1,422	1,408	Arizona	957	962	Indiana	362	355
29	Arkansas	1,374	1,388	Virginia	840	818	Arizona	355	337
30	Idaho	1,359	1,401	Washington	830	776	Washington	311	300
31	Washington	1,268	1,208	Michigan	597	578	Nevada	280	272
32	New Mexico	1,221	1,174	Wisconsin	546	539	Ohio	272	258
33	Wyoming	1,126	1,104	Utah	531	530	Utah	269	256
34	Arizona	1,041	1,047	Nevada	499	494	North Carolina	211	203
35	North Carolina	907	898	Pennsylvania	439	428	West Virginia	169	159
36	Utah	698	698	North Carolina	433	421	Wisconsin	130	123
37	South Carolina	553	542	South Carolina	371	356	Michigan	117	114
38	Nevada	532	527	West Virginia	332	330	Pennsylvania	100	94
39	West Virginia	530	535	Maryland	152	157	Maryland	50	49
40	Maryland	498	508	New York	148	138	New York	46	40
41	Vermont	445	436	Maine	28	29	Maine	9	9
42	Maine	200	200	Vermont	19	18	New Jersey	5	4
43	New Jersey	196	198	New Jersey	15	14	Vermont	4	3
44	Massachusetts	153	156	Delaware	12	10	Delaware	4	4
45	Connecticut	150	153	Massachusetts	11	11	Massachusetts	3	3
46	New Hampshire	101	100	Connecticut	10	11	Connecticut	3	3
47	Delaware	51	53	New Hampshire	8	8	New Hampshire	2	2
48	Rhode Island	20	20	Rhode Island	1	1	Rhode Island		
Total		99,500	97,319	Total	69,695	67,371	Total	28,111	27,028

1959 Census of Agriculture

1959 Census of Agriculture—Continued

	Number of farms	Number of horses and mules
Alabama	49,966	93,148
Arizona	3,295	51,151
Arkansas	35,656	76,644
California	20,148	77,313
Colorado	13,940	64,826
Connecticut	1,197	3,609
Delaware	1,134	3,093
Florida	10,529	26,536
Georgia	39,023	70,500
Idaho	13,844	49,806
Illinois	25,762	73,898
Indiana	18,533	52,928
Iowa	30,249	87,284
Kansas	28,196	67,746
Kentucky	69,482	144,663
Louisiana	38,120	87,390
Maine	3,853	7,730
Maryland	5,762	15,259
Massachusetts	1,730	4,771
Michigan	14,430	36,443
Minnesota	23,325	58,560
Mississippi	63,529	140,930
Missouri	43,216	101,625
Montana	15,600	86,380
Nebraska	23,641	68,281
Nevada	1,688	19,074
New Hampshire	1,540	3,695
New Jersey	1,975	6,993
New Mexico	8,468	43,388
New York	18,485	47,371
North Carolina	84,517	145,101
North Dakota	19,069	57,472
Ohio	25,961	73,664
Oklahoma	33,680	90,025
Oregon	11,366	44,402
Pennsylvania	19,446	58,141
Rhode Island	187	693
South Carolina	38,644	68,407
South Dakota	16,049	61,013
Tennessee	67,757	139,380

	Number of farms	Number of horses and mules
Texas	77,203	237,373
Utah	9,220	29,894
Vermont	4,094	9,351
Virginia	41,412	84,293
Washington	12,377	37,517
West Virginia	19,590	37,587
Wisconsin	24,728	59,219
Wyoming	6,441	49,423
Total	1,137,958	2,953,992

Mr. MANSFIELD. Mr. President, a good workable farm program is essential to the economic prosperity of the State of Montana. The farm bill submitted to the Congress by the administration is designed to meet the problems of overproduction, unmanageable surpluses, depressed farm income and expanded markets for farm products. It is a program nationwide in scope. Montana has a very significant farm economy and I wish to comment briefly on several unusual circumstances that now exist in the State. I also wish to address several questions to the distinguished chairman of the Senate Agriculture Committee, whose answers are of vital interest to my colleague the Senator from Montana [Mr. METCALF] and myself.

First of all, Montana finds itself in a difficult position at this time. The State has been plagued with a serious drought in the past several years, thus reducing production within the State. An expanding livestock feeder industry in the State has utilized the vast majority of the feed grains produced, contributing little to the feed grain surplus. Montana is a major producer of the Hard Red Spring wheat variety which is not now in great surplus. Naturally many Montana farmers wonder why we need a farm program in Montana because of these factors. They would like to produce more wheat because of the favorable market and they would like to increase feed grain production within the State to supply the expanding markets within the State.

I realize we cannot make exceptions in dealing with a national problem but I did want to briefly comment on the Montana situation.

Mr. President, I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry the following question:

During the discussion of the proposed farm legislation in the committee, what was the consensus with reference to elimination of acreage controls on wheat and conversion to production control on a bushelage basis and on the farm

storage at the individual farmer's expense?

Mr. ELLENDER. That question was discussed. We have provided that the Secretary of Agriculture should proceed in fixing the acreage by using a bushelage basis, with a minimum of 1 billion bushels.

With respect to farm storage, let me say that if farmers now produce in excess of allotments, they must store at their own expense in order to avoid penalty. The amendment makes no change in this respect.

Mr. MANSFIELD. What was the minimum?

Mr. ELLENDER. One billion bushels. What we are trying to do in the bill is to keep production in line with our requirements for both export and domestic use. There are several provisions in the bill to protect the producers of wheat that may be in short supply. The Secretary of Agriculture has the right under the wheat provisions to increase allotments for wheat in short supply.

Mr. MANSFIELD. Is that for the hard red spring wheat?

Mr. ELLENDER. That is for any wheat that is in short supply. Under the bill, the Secretary of Agriculture would have the right to look into the situation and provide more acreage to meet the demand for any wheat that is in short supply.

Mr. MANSFIELD. I thank the Senator.

Mr. ELLENDER. However, in saying to a farmer that he may plant more acreage of wheat of a kind that is in short supply, the amendment provides that the farmer must then plant his entire increased allotment to that kind of wheat.

Mr. MANSFIELD. If the Senator will yield further, as he knows, the establishment of yields has been the subject of considerable discussion in Montana. As recommended by the committee, what years would be used in determining yields under the 1963 feed grain program?

Mr. ELLENDER. The years 1959 and 1960 would be used.

Mr. MANSFIELD. Would the same yields be used if the administration's feed grain proposal were adopted?

Mr. ELLENDER. Under the administration's program, as it has been developed and embodied in my amendment, the normal yield for a farm for penalty purposes would be the average yield per acre of such feed grains on the farm during the 5 calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and trends in yields.

Mr. MANSFIELD. That would be true if the administration's present feed grain program proposal were adopted. Is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. MANSFIELD. Montana grows principally Hard Red Spring wheat, a high protein quality wheat. Carryover of Hard Red Spring, according to the committee report on S. 2335, will be down to 180 million bushels next month, as compared with 237 million bushels last June

30. It is my understanding this new farm legislation offers incentives to the producers of high quality, high demand wheat such as Hard Red Spring. As you know, due to certain factors Montana grain production is somewhat limited to wheat and barley.

While a farmer would receive certificates for his bushel quota, the additional wheat which is legally produced either on his wheat or feed grain acreage allotment could be picked up in the open market by those interested and in need of the higher quality milling variety at premium prices. Also, I understand that the administration proposes that wheat be permitted to be grown as a feed grain, thus quality demand wheat which is produced on feed grain allotments might then be placed in the feed grain market and purchased by those interested in the quality grains at the premium prices. Is this a reasonable interpretation of this proposal?

Mr. ELLENDER. Yes. In addition I point out that the Secretary would have the right to increase the acreage of wheat which is in demand.

Mr. METCALF. Mr. President, will the Senator yield for a moment, so I may clarify one point for my own benefit?

Mr. MANSFIELD. Certainly.

Mr. METCALF. I understood the chairman of the committee to say that if the pending bill were enacted, the feed grain allotments would be determined on the basis of yields of the past 2 years. If the bill which is before the Senate is enacted, the past 2 years will be used. Is that correct?

Mr. ELLENDER. 1959 and 1960. Those 2 years, yes.

Mr. METCALF. If the Ellender amendment, which is the administration bill, is adopted, the feed grain proposal will be based on the past 5 years?

Mr. ELLENDER. The normal yield for penalty purposes would be based on the preceding 5 years. Allotments would be based on the average acreage during the base period. For the first 3 years of the program the base period would be 1959 and 1960. Thereafter it would be the 2 most recent years for which statistics are available. I may have misunderstood the Senator when I spoke to him a while ago.

Mr. METCALF. I was not quite sure, but I wanted to clarify the situation.

Mr. MANSFIELD. I thank my colleague from Montana for clearing up that point.

During the course of the committee's extensive studies of these problems, has there been any indication that there is a direct relationship between the market price for livestock and the price for feed grains?

Mr. ELLENDER. Yes; that relationship has been established. Several witnesses testified to that effect. Mr. Cushman S. Radebaugh, president of the American National Cattlemen's Association, testified that whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle prices.

It has been my contention for the past 25 years, ever since we have been dealing with price supports, that fixing

a price on grain has a direct effect in stabilizing the price of cattle products as well as poultry products.

Mr. MANSFIELD. Would the Chairman say that this is a fair statement? When the price of feed grains goes down, the price of livestock subsequently correspondingly declines; that when the price of feed grains is up, the price of livestock correspondingly rises?

Mr. ELLENDER. That is right. That would be my interpretation. I believe a study of the situation would indicate that that is true.

Mr. MANSFIELD. If the Senator will yield further, I should like to point out that there has been a tremendous discussion about the Nation's agricultural surplus. Insofar as wheat is concerned, in terms of the Nation's needs, how large a supply do we now have on hand and for how many years?

Mr. ELLENDER. We have on hand 1,200 million bushels, which is more than a year's supply—just a little bit more.

Mr. MANSFIELD. Just a little bit more?

Mr. ELLENDER. Yes. Of course, when we say supply it means not only for domestic use, but for export also.

Mr. MANSFIELD. Would the Senator state in this respect who is our best customer in the export of wheat?

Mr. ELLENDER. Today it is India.

Mr. MANSFIELD. How about Japan?

Mr. ELLENDER. Japan is a big customer, but India, of course, through the Public Law 480 program has increased its imports.

Mr. MANSFIELD. India gets it on a gift or loan basis.

Mr. ELLENDER. Yes.

Mr. MANSFIELD. So far as an actual cash customer is concerned, I mean.

Mr. ELLENDER. Japan would be as big a cash customer as any.

Mr. MANSFIELD. It is also a good cash customer, and our best customer with respect to cotton, soybeans, and tanned hides, as well as wheat; is that correct?

Mr. ELLENDER. That is correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PASTORE. I am very much interested in the agricultural problem. I want to lend whatever support and assistance I can to any possible program which in the long run will save the taxpayers of this Nation the great amount of money that is now being paid for storing the surpluses.

I have been told that the Ellender amendment embodies a certificate plan, which is, in fact, a bread tax; is that correct?

Mr. ELLENDER. No.

Mr. PASTORE. I am told that the plan provides that all wheat used for breadmaking will be subject to certificates valued at about 82 cents a bushel. This means that before a miller can grind wheat into flour, he must purchase a certificate for each bushel he mills. The American Bakers Association and others estimated that this will add perhaps as much as 1½ cents to every loaf of bread. Has the Senator any comment to make on that point?

Mr. ELLENDER. Of course, as the Senator knows, and as I stated yesterday, the Secretary of Agriculture has been attempting since he took office to increase the price of the commodities grown by the farmers. It is contemplated that if the program goes through, namely, the certificate plan to which the Senator refers, the price of wheat will be about \$2 for all wheat that will be grown by that farmer for domestic use, and likewise the farmer will receive \$2 a bushel for that portion of the production which will be shipped abroad for which certificates are issued.

Personally, I do not believe it will have any effect whatever on the cost of bread, for the simple reason that the cost of wheat this year is about the same—that is, \$2 a bushel. Under the bill, it is not contemplated that the cost of wheat to the miller will be increased at all, so there will be no reason for him to have to increase the price of bread.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Generally speaking, is it not true that over a period of years the price of wheat has been around \$2 a bushel?

Mr. ELLENDER. That is correct; it has been around that price.

Mr. MANSFIELD. But what has happened to the price of bread in the meantime? It is not the farmer who causes a rise in the price of bread, because the price of wheat has not increased in proportion to the price of bread.

Mr. ELLENDER. I was about to suggest to the Senator from Rhode Island that what the farmer gets out of the price of a loaf of bread is about 2.4 cents. The price of bread has risen considerably in the last 7 or 8 years, even though the cost of wheat has stayed, more or less, at a normal price.

Mr. PASTORE. The contention that is made—and it may well be so—that the increase in the price of wheat might increase the price of a loaf of bread by 1½ cents, and I envision that there will be some increase. Naturally, if the price support is raised, then somewhere along the line that action will be reflected in the cost of bread, unless someone absorbs the cost.

Mr. ELLENDER. We are not proposing to raise the price of bread; we are simply assuring that that price will be what it is now.

Mr. PASTORE. Was not the price of wheat \$1.78 a bushel last year?

Mr. ELLENDER. Yes.

Mr. PASTORE. As I understand, the plan of the Senator from Louisiana calls for a price of \$2.04 a bushel.

Mr. ELLENDER. No; next year it will be \$2 a bushel, in round figures.

Mr. PASTORE. That is an increase of 22 cents, is it not?

Mr. ELLENDER. I understand; but the price for this year's crop, under the program which we voted upon last year, will be \$2. So the plan we now propose will not raise the price higher than that.

Mr. PASTORE. One final question of the Senator from Louisiana, who is very proficient in this field: What has the Rhode Island consumer to look forward

to in a promising way as between the bill which was reported by the committee and the bill if it is perfected by the so-called Ellender amendment? What does the consumer in Rhode Island have to look forward to in any promising fashion?

Mr. ELLENDER. If the proposal I am suggesting should be enacted, we will have a new approach in our price support program for wheat. Under the present law, the Secretary of Agriculture is unable, legally, to proclaim a national allotment for wheat of less than 55 million acres regardless of the stocks which have accumulated. When that law was enacted in 1938, the yield of wheat per acre was 13.3 bushels. Now the yield is 26.2 bushels, but the same minimum acreage is required by law.

My amendment would establish an acreage so that the amount of wheat to be produced will be more in keeping with our requirements. This would mean that the Federal Government would take over less wheat thus saving a large amount of storage and handling charges. As I pointed out yesterday, the handling charges for the commodities which are now in storage—for all commodities—amounted to \$1,154 million during fiscal 1961. Wheat, and feed grains accounted for 78 percent of that huge cost. What we are trying to do is to reduce the production of wheat, and we are saying to the farmers, "We are willing to protect you in price provided you curtail your acreage in keeping with the requirements." That is all the amendment proposes to do. If that proposal should be adopted, it will mean less production and less costs to be assumed and paid for by the Government. Besides, during the transition period, payments will be made to farmers for the diverted acreage.

Mr. PASTORE. Is it fair for me to assume that if the program is initiated and carried through to fruition, the ultimate result will be that less wheat will be produced and less wheat will have to be bought by the U.S. Government with the taxpayers' money, and that less of the taxpayers' money will have to be paid in order to store the surplus?

Mr. ELLENDER. The Senator is exactly correct. The same principle applies to my corn amendment. Feed grain carryover today amounts to about 75 million tons. It cost the Government in the last fiscal year \$535 million to store that surplus. I am trying to tell the corn farmer that the Government is willing to support the price of his corn at a certain level provided he is willing to curtail his acreage and produce only what is needed.

But the way the law now reads—that is, the law which was enacted 3 years ago—a farmer can plant any amount of corn he desires, or any amount of sorghum, oats, barley, or rye that he desires, and get price support for it. There is no way under the law by which the Secretary of Agriculture can control corn and feed grain acreage; he must support the price irrespective of the amount of grain which the farmer produces.

The second amendment I shall propose to the Senate will simply mean that if

the farmers of the country want to produce corn and other feed grains, then in order to get a Government support price to help them to get a fair return on corn and other feed grains, they will have to reduce the number of acres they plant, so that the amount of grain produced will be in keeping with the amount required. That will save the taxpayers quite a large sum of money, and as a matter of fact, also improve farm income.

As I pointed out to the Senator from Mississippi [Mr. EASTLAND] a few minutes ago, the Government has on its hands at this moment 2.4 billion bushels of corn and other feed grains worth \$3 billion.

Mr. PASTORE. I thank the Senator from Louisiana.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. The Senator from Rhode Island has very properly raised the issue as to what this proposal may cost the consuming public. After all, our great Nation is comprised both of producers and consumers. At no time in our Nation's history have the consumers received their food at a lower percentage of their wages than they are now.

It is interesting, when we talk about costs, to note that in 1959, with 13 percent more consumers and a 13 percent higher per capita income, 16 percent more food was utilized. In other words, a 13 percent greater population having a 13 percent higher income increased its food consumption by 16 percent.

In 1959, the farmers received \$100 million less for their food, and the consumer paid \$10 billion more in charges.

I think this is one of the important issues, because when we start dealing with the problem of the whole record of food costs in this country based upon percentage of wages, the market basket of domestically produced food for a family of three as reported by the U.S. Department of Agriculture, cost 23 percent of the average factory worker's income in 1959.

Ten years earlier, the cost of food alone was 35 percent higher; 20 years earlier, it was 41 percent higher. So it can be definitely proved that the consumers are getting their food at a lower percentage cost of their wages than at any time in the Nation's history.

Mr. PASTORE. Does the Senator from Kansas agree with the position taken by the American Bakers' Association that if the Ellender amendment shall be adopted, the cost of the certificate plan will be increased, and that the cost of each loaf of bread sold in the United States will be increased by a cent and a half?

Mr. CARLSON. I do not agree with that statement, because I do not believe that will be the result of the amendment. The cost of bread may be somewhat increased, but very little, because the price of wheat has been \$2 a bushel, it has been \$2.22, and it has been \$1.79 with very little if any change in price. There would not need to be any difference in the cost of a loaf of bread, because the price of bread is very little affected by the price of wheat.

Mr. ELLENDER. The price of a loaf of bread is not directly tied to the price of wheat.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield, so that I may respond to the Senator from Rhode Island?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Under this bill—and I should like to have the chairman of the committee correct me if I am wrong—the price support of wheat would be dropped from approximately \$2 a bushel—the price support at the present time—to about \$1.40, or to the feed value equivalent of corn. The cash price would probably be somewhat above \$1.40; but one could hardly expect the cash price to be above the present price of good milling wheat, which is about \$2.50 a bushel. So the price millers would pay would be less than at present.

The miller would have to buy the certificates; but even if the overall cost of his wheat was 20 cents a bushel more than now—which would be the most it could cost him—that would mean that the additional cost of a loaf of bread would be less than half a cent a loaf, inasmuch as the wheat content of a loaf of bread is today approximately 17 percent, or probably a little less now, as more substitutes for wheat are used.

Mr. PASTORE. Is there any way to determine percentagewise what the effect would be, as between the formulas being proposed here? I think that should be ascertained, because the consumers should be told that. If the estimate of 1½ cents a loaf as the increased cost is incorrect, I believe it should be corrected for the RECORD.

I am not challenging or questioning anyone; but if there is any way to determine in authoritative fashion, for the RECORD, just what will be the effect of the program on the price of a loaf of bread, I believe it should be stated for the RECORD.

Mr. YOUNG of North Dakota. I think that can be done; I think there are economists in the Department of Agriculture who can give those figures.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. ELLENDER. I yield.

Mr. AIKEN. I should like to inform the Senator from Rhode Island of the purpose of the Department's plan: It is to require the farmer to reduce his production; to increase farm income; to lower the burden on the taxpayer; and to keep prices to the consumer at least as low as they are now. That is very simple when we say it: force the farmer to reduce his production; and when he reduces his production, increase his income; then lower the costs to the taxpayers; and, finally, keep the prices to the consumers where they are now, or get them lower.

I wish the Senator from Rhode Island, who is excellent at statistics, would figure out just how that could be done. But that is what is claimed for this

proposed legislation—just as simple as that, if it is simple.

Mr. ELLENDER. Mr. President, in view of the questions asked by the Senator from Rhode Island, I should like to read into the RECORD a statement by the House committee; the statement appears on page 28 of Report No. 1691:

There is nothing in the proposed wheat agreement which would add to the cost of flour to bakers or to the cost of bread to consumers. USDA miscellaneous publication 712, "Marketing Margins for White Bread," says: "Farmers' prices don't govern bread prices." The committee has been assured that there would be no material increase in wheat support levels under the program in 1963. From 1948 to 1960, the cost of wheat and other ingredients in a loaf of bread declined 18 percent at the farm, while processing and marketing margins increased 71 percent. Thus, in the 12-year period, the cost of a loaf of white bread increased from 13.9 cents to 20.3 cents, as a national average, or 46 percent, while the price of a bushel of wheat declined from \$1.98 to \$1.76, or 11 percent.

Mr. TALMADGE. Mr. President, it is clear that Congress can no longer postpone affirmative action to curb the overproduction of feed grains.

From 1952 to 1961, the total feed-grain carryover rose from 20 million to nearly 85 million tons, and the cost of storing surplus corn and grain sorghum alone reached the staggering total of half a billion dollars during the 1961 fiscal year. Although the carryover will have been reduced to some 72 million tons by this October, it can be expected to shoot up again unless Congress is willing to finance indefinitely a billion-dollar-plus-a-year voluntary acreage diversion program.

Our experience has proved that neither lowered price supports nor voluntary land retirement is the answer to the problem. The former serves only to stimulate increased production; and the latter effects only temporary relief, and that only to the extent of the amount of funds made available to provide incentive payments.

That leaves us, then, with but two choices: either to impose a system of effective controls, or to cut 3½ million farmers loose, to "go it alone." The certain ramifications of the second make it too alarming even to contemplate. It would result in a disastrous drop in farm income, which would bankrupt thousands of farmers and would touch off a crippling agricultural depression which would spare no segment of the national economy.

There is nothing startlingly new or different about the procedure set forth in the proposed amendment. Essentially, it would bring feed grains under the same type of mandatory controls which have been successfully employed for years by the producers of cotton, rice, peanuts, and tobacco. And, as in the case of those commodities, the controls would be imposed only upon the direct vote of the farmers concerned.

This program has been designed to reduce surplus stocks of feed grains to a manageable level within 5 years. And, instead of offering the prospect of ever-increasing costs, the outlays it would re-

quire would decrease by almost \$300 million a year by 1965. The indicated first-year saving over the present emergency program alone would be \$565 million.

Some concern has been expressed in the Southeast—which is a deficit area for the production of feed grains—about the effect of the mandatory procedure. I am please to be able to report that there would be no adverse effect, as southeastern farmers would be able to grow more feed grains under the mandatory program than they would under the present optional arrangement.

That would be the case because the proposed program provides for the exemption of farms with base acreages of 25 acres or less, and the retirement payment rate per acre under the mandatory program would be less than that under the current voluntary plan. In my State of Georgia, for example, 22 percent of the feed-grain base acreage is being diverted this year, while projections show that under the proposed mandatory program the diversion next year would be only 16 percent.

Mr. President, it is time that the farmers of the United States realized that they cannot expect continued high price supports without agreeing to effective production and marketing controls. They cannot have both high supports and few, if any, controls. It must be one way or the other.

There have been growing evidences of taxpayer resentment of farm programs which cost billions and accomplish nothing with respect to their basic purpose—that is, to bring supply into line with demand. It should be obvious to all concerned that a continuation of procedures which pile up costly surpluses will jeopardize continued public support for all farm programs.

During the more than 5 years it has been my privilege to serve in this Senate, I have consistently advocated and sought the enactment of realistic and meaningful farm legislation to solve the problems of American agriculture. The Talmadge farm plan which I have offered during the 85th, 86th, and 87th Congresses has attracted widespread favorable reaction throughout the Nation.

Mr. President, I personally would prefer to see the enactment of a program of free enterprise farming bolstered by a system of compensatory payments on domestic consumption along the lines I have proposed. I think it would be the best thing for the Nation as a whole if such a formula could be applied to all basic agricultural commodities. Unfortunately, however, I recognize that the opposition of certain farm organizations and of the large, corporate-type farms has foreclosed its favorable consideration—at least, at this time.

I, therefore, Mr. President, support the pending amendment as the best possible acceptable solution to the pressing problem which faces the American economy with respect to runaway feed grain production.

Failure to impose mandatory controls over such production, Mr. President, can only have the result of placing in grave

jeopardy our entire farm program. And every American with a knowledge of elementary economics knows, Mr. President, that in an economy where labor has the protection of the minimum wage and collective bargaining and business has the protection of the tariff and various subsidies, the consequences of leaving the farmer without equivalent protection would be disastrous.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TALMADGE. I am glad to yield to my distinguished senior colleague.

Mr. RUSSELL. My distinguished colleague is a member of the standing Committee on Agriculture and Forestry and had an opportunity to sit in the committee during the hearings. I heartily commend him for his realistic approach to an exceedingly thorny problem. I too would prefer to see enacted the farm bill which my colleague has introduced, but we both know that is completely out of the question in the present circumstances.

The approach that is offered in the Ellender amendment seems to me to be the only chance we have to save any farm program, particularly for the farmers of the Southeast, and Georgia farmers especially.

Mr. President, I have seen the balance of power shift in this country during the time I have been a member of the Senate. When I first came here I think some 37 or 38 percent of the people of this country lived on farms or were engaged in agriculture. It has now reached the point where only 8 or 9 percent of the people derive their livelihood from farming; and the political power of the farmer has been further diluted by events other than the mere shifting of the population from the farms to the cities.

There is no question in my mind that the people in the cities would soon resent and strike down any farm program whatever—and they would not be able to differentiate between those programs that cost a great deal of money and those that do not—unless Congress took some steps to stop the tremendous accumulation of grain surpluses, which cost us \$1,400,000 a day just for storage in this country.

If that should happen, the whole farm program would collapse. That would be the end of the individual farmer in this country. We could depend on the factory-type farm, but it would mean the extinction of the family farm in this country. In my opinion, it is up to us to do what we can to slow down that movement in order to retain the great values the family farm has in the strength of our Nation, both spiritual and otherwise.

My colleague knows, as well as I, that these grains are the only farm products that have not been under marketing quotas.

Mr. TALMADGE. They have had price supports.

Mr. RUSSELL. They have had price supports and no marketing quotas. In other words, the producers have had their cake and have been eating it, too, since 1935, whereas other commodities, such as cotton, tobacco, rice, and a num-

ber of others, have been under rigid controls, involving great penalties if they have been overplanted by so much as one-half an acre.

In my judgment, if we are to retain any farm program in this country, we must follow the suggestion made by my distinguished colleague. I commend him for it.

While I have some grave misgivings about some features of the program, under all the circumstances I think the long range interests of such farmers as are left in the United States will be served by the adoption of the Ellender amendment.

Mr. TALMADGE. I thank my able colleague for his invaluable contribution. I agree with him wholeheartedly in everything he has said. In my judgment, if we do not reduce the \$3 billion surplus of feed grains, it will be the weapon which will be utilized to strike down every farm program we have, good as well as bad. For that reason, I support the Ellender feed grains amendment.

Mr. President, I yield the floor.

Mr. FULBRIGHT. Mr. President, I heartily commend the junior Senator from Georgia for his comments. The circumstances in his State are much like those in mine, and the effects will be similar. I think what he has said is most persuasive. In addition, many of the scandals which we have been reading about in the papers recently have grown out of the very problems that arise out of the excessive accumulation of surpluses.

Mr. PROXMIRE. Mr. President, the distinguished chairman of the Committee on Agriculture and Forestry has been exceedingly patient in our consideration of the various provisions of the proposed Food and Agriculture Act of 1962. I appreciate the fairness with which he has dealt with each member of the committee. I have only the greatest admiration for his effort and his ability.

I now would like to indulge his patience by asking him a few questions. I note that often he has referred to corn as "the little blue-eyed girl of our farm program."

I assume by that he means that corn producers have received favorable treatment.

He now proposes that on less than 3 months notice they become subject to mandatory controls or have their price supports reduced to 50 percent of parity or less.

I am sure that our distinguished chairman knows that 19,500,000 acres have been diverted out of wheat production since 1952, 11,300,000 acres have been diverted out of tobacco production since 1951, and 600,000 acres have been diverted out of tobacco production since 1952. Does not the distinguished Senator from Louisiana agree that a large part of these diverted acreages have been shifted to the production of feed grains and soybeans? Is that not true?

Mr. ELLENDER. I would say that principally soybean production has increased in the South. Insofar as the feed grains are concerned, the South has been growing those all along. Of course, there has been a little increase in the acreage in wheat production because of

knowledge of a variety which would grow better in the South. There is no doubt that the cotton farmers of the South have increased the production of crops which used to be produced as cash crops principally in the North.

Mr. PROXMIRE. I do not mean to ask the question in any prejudicial or regional sense.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. The point is true with respect to wheat also. Farmers to some extent have gotten out of the production of wheat and have diverted 19.5 million acres, which is more than has been diverted out of cotton production, and much of the acreage has gone into the production of feed grains.

Mr. ELLENDER. Not as much as the Senator would imagine.

I say to my good friend that when there were acres diverted from cotton, from rice, and from other commodities in the South, there were no payments on the diverted acres; but in this case we seek to provide for the payment on diverted acres to all corn farmers, to all sorghum producers, and to all wheat producers.

Mr. PROXMIRE. I shall come to that.

Mr. ELLENDER. This payment program will go along for 3 years, if the bill is passed with my amendment.

Mr. PROXMIRE. I understand. I would like to come to consideration of the provisions of the bill.

Mr. ELLENDER. Yes.

Mr. PROXMIRE. First, I wish to consider the present plight of the corn farmer. It is my conclusion, on the basis of detailed analysis, that the feed-grain surplus is in large part the result of the previous wheat and cotton programs. We had to have wheat and cotton programs before. I am not saying that the wheat and cotton farmers are responsible for the situation. I merely say it is hard and difficult, and it seems to me unfair, to blame the corn farmer for his production, because it is a fact that the wheat and cotton programs of the Federal Government have pushed more acreage into feed-grain production.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. There has been a considerable reduction in wheat acreage, particularly in the commercial wheat-producing States during the last 15 years. The reduction in acres has been about 35 percent. During the same time there has been an increase in wheat acreage in the corn areas, particularly east of the Mississippi River, because of the 15-acre exemption provision. The farmers throughout the area east of the Mississippi River have increased their wheat acreage, while the commercial wheat farmers have had to decrease about 35 percent.

Mr. PROXMIRE. I agree with the analysis of the Senator from North Dakota, but I maintain that this is part of the results of the wheat and cotton programs, which have caused a diversion of some land.

Our chairman and the administration cite the high cost of operating the current voluntary feed-grain program as the main reason for forcing farmers to approve a mandatory program or be content with price supports at 50 percent of parity or less. They do not say that the current program is ineffective.

PRESENT VOLUNTARY FEED-GRAIN PROGRAM
IS EFFECTIVE

I was greatly encouraged by the fine defense of this program which the chairman offered to the Senate the other day when he was defending the present voluntary feed-grain program. They, as well as I, take pride in its effectiveness. They do not say it is more costly than the ill-conceived 1958 program which it replaces. In fact, they, as well as I, take pride in the real savings it is achieving as compared with continuing the Benson program of 1958.

They claim only that if a mandatory program is approved in a referendum even further savings can be made. This is almost the only argument advanced for a mandatory program at this time. Yet when value of the marketings is considered, the real Government costs of the current voluntary program are not out of line with costs of the two other major programs, wheat and cotton. The annual value of feed grains produced in the United States is more than twice the value of either cotton or wheat. In 1959-61 the average annual value of the feed grains produced was \$5.6 billion; the value of wheat and cotton marketed was \$4.6 billion. Even though feed grain price supports cost more than wheat and cotton price supports combined, they would be costing only their pro-rata share of the total farm program.

I ask our distinguished chairman: Does he have any information to suggest that feed grain price supports in the past have cost more than the combined costs for wheat and cotton?

Mr. ELLENDER. It is my recollection that the price support losses for corn alone was \$2.2 billion since the advent of the program.

As I pointed out today and yesterday, the Government has about \$3 billion invested in the feed grains. Of course, that is not a loss by any means, but Uncle Sam's money is tied up in that much corn and other feed grains.

Mr. PROXMIRE. Is it not true, although we have far too much of the feed grains in storage, as the Senator has said several times, and correctly, that the present feed grain program even in the greatest bumper year we ever had, in terms of weather, did reduce the surplus?

Mr. ELLENDER. It reduced the production of corn and sorghums by 421 million bushels, though we anticipated a reduction of 700 million bushels.

In all justice, if there had been no program at all, instead of having a surplus of 85 million tons we would have seen an increase of about 600 million or 700 million more bushels of corn. That is why I have contended throughout that even though the emergency program appears to be costly, if we consider the additional corn and other feed grains which it

would have been necessary to store over the years, in the long run the program will save money.

As the Senator no doubt remembers, the emergency feed grain program was placed on the statute books supposedly for 1 year, in the hope that the Congress could draft permanent legislation. That is what the committee has tried to do.

Unless the amendment which I have offered to the Senate is agreed to, we will revert to the old program which has cost us so much. I venture to say that the extension of the corn and other feed grains program for the current year will cost about \$900 million. If weather conditions are as good as they were last year we may see an increase in the production of corn and of other feed grains of as much as 500 million bushels over last year.

Mr. PROXMIRE. If weather conditions are less excellent than they were, the Government will save even more money, and the cost of the program will be even less.

Mr. ELLENDER. Of course.

Mr. PROXMIRE. So that the program was tested under the most adverse circumstances, or nearly the most adverse circumstances, in view of the excellent weather. The program worked. It reduced the cost of the farm program substantially. It was a popular program. It increased farm income.

Is that a correct statement?

Mr. ELLENDER. Of course that is true. The program we now envision would not in any manner decrease the income of the farmers, because we have incorporated into the proposed program a provision which would pay the farmer for diverted acres. In effect a program similar to the emergency program we now have will cover the next 3 years.

Mr. PROXMIRE. I shall come to that subject in a minute. My contention, on the other hand, is that if the amendment is agreed to, judging from all the evidence I have seen—and I have an abundance of evidence—there will be no feed-grain program at all, because the program will be voted down. I shall come to that subject in a minute.

Mr. ELLENDER. I cannot agree with the Senator from Wisconsin that the farmers would vote down price supports.

Mr. PROXMIRE. Yes, it will be voted down, because two-thirds of the farmers who will vote on the program will not be the farmer who will sell the feed grains.

Two-thirds of the farmers who will vote in the referendum use feed grains only on their farms. They do not sell feed. So those farmers would have every reason to vote again the program and no reason to vote for it.

Mr. ELLENDER. The Senator is partially correct. But I am sure thousands of farmers in Wisconsin would be exempted from the program if they had 25 acres or less. They would not be required to vote.

Mr. PROXMIRE. Those are the farmers who concern me most. The program would be extremely unfair to those farmers. They would have to make a choice as to whether or not to vote in the referendum. Whether or not they chose to vote in the referendum, they

would be limited. They would be mandated to limit production to what they produced in their base year. They could not go 1 square foot higher even in the production of corn silage.

Mr. ELLENDER. The Senator is correct.

Mr. PROXMIRE. They would not have to vote.

Mr. ELLENDER. We would permit them to grow silage if they wished to do so.

Mr. PROXMIRE. Then they would have to take a cut.

Mr. ELLENDER. That is correct. They could become members of the voting family only if they would take the cut that the others take.

Mr. PROXMIRE. What kind of proposition would that be for a farmer? I can imagine how infuriated a Wisconsin farmer would be if he had to face such a choice.

A farmer might say, "Senator Proxmire, do you mean to say that the Senate passed a bill that would enable us to vote, but if we vote, we must cut our production by 20 percent? If we do not vote, we shall be limited anyway. No matter what happens, we will not receive a nickel more for our milk. We cannot possibly gain from the program. It cannot but affect us adversely."

Mr. ELLENDER. My guess is that farmers who have a base of 25 acres or less, and who in the past had produced most of the grain or feed they desired, might not wish to join. They might not want price supports because they do not sell the commodity. In my judgment, the bill is directed mostly to those who plant an abundance of corn and sorghum far above their requirements.

Mr. PROXMIRE. More than 20,000 farmers now grow over 25 acres of corn and feed grains. Those farmers would be in a position in which they would be restricted by the program, whether they voted or not. A farmer who produced only 5 acres would still be limited to his base. He would be limited on his corn silage. He could not increase his feed-grain production. He would have a limitation and would not have a vote.

Mr. ELLENDER. He could pasture all he wished. He could plant all the oats he desired to plant, since oats would not be included in the feed grain program. He could plant barley for grazing.

Mr. PROXMIRE. The Senator from Louisiana knows perfectly well that the dairy farmers will feel that in order to have any kind of efficient operation, they should be able to feed the proper amount of corn or corn silage—corn silage primarily—and they cannot increase their production of corn silage. They are limited with respect to it.

Mr. ELLENDER. They would be limited to what they had planted on a historic basis.

Mr. PROXMIRE. A farmer who had only 15 cows would find that he could not increase his herd to a reasonable size without buying feed at a higher price. He could not grow a fraction of an acre more.

Mr. ELLENDER. The Senator knows that we shall probably not have a milk

program this year. We are now producing milk in quantities far above what we need. I do not believe the Senator's suggestion would be very encouraging to the farmers who desired to produce more milk.

Yesterday I had printed in the RECORD a table, which appears on page 8284, indicating the estimated distribution of feed grain farms. Of the 2,239,850 farms in the United States, 1,183,310 would not be affected—almost one-half.

Mr. PROXMIRE. They would all be affected. Every last one of them would be limited in the amount of feed grains that they could produce. They might not be cut back, but they would be limited. They could not increase their feed grains or silage.

I have found over and over again in Wisconsin—and I am sure it is true of Louisiana—farmers who have a herd of approximately 15 cows. They want to make a living. They cannot do so with that size herd. So they try to build it up. Inspired by the history of freedom and growth in our country, they have a desire to increase their production. At least they want the freedom to do so.

If they are to be limited, at least they would want a vote in a democratic referendum. If the Ellender feed grain amendment were adopted, they would be limited but have no vote.

Mr. ELLENDER. They could vote if they would take the cut, as any other farmer could.

Mr. PROXMIRE. The Senator is correct. So the farmer has an option to vote. If he votes, he must take a cut of 20 percent. If a farmer does not vote, he cannot increase his production at all.

Mr. ELLENDER. The farmer could put in all the pasture acreage he desired.

Mr. PROXMIRE. Yes.

Mr. ELLENDER. He could plant all the oats and barley he desired. He could graze his acreage of barley. The only thing he could not do would be to harvest it.

I believe that if my amendments are agreed to the bill would do justice to the small farmer. I do not see that any farmer would suffer.

Mr. PROXMIRE. I ask the Senator from Louisiana if he can give me a single reason why a farmer who is exclusively a dairy farmer would vote in favor of the plan in the referendum. Why would he not vote "no"? I ask the Senator to give me one reason.

Mr. ELLENDER. Am I to understand that such a farmer would not want a program at all? Would he want price supports of any kind? If he did not want price supports, all he would need to do would be to vote the program out.

Mr. PROXMIRE. But the dairy farmer is tied to the present low price supports whether he votes for or against this program. The feed grain program will not affect milk prices in any event. The dairy farmer sells milk and receives the low support price. He does not get more or less than that, no matter what happens. He is chained to that price.

Mr. ELLENDER. The price of feed for livestock would affect the farmer's income. I am sure that the Senator from Wisconsin would not want the price of corn and other feed grains to go down to 50 cents a bushel—half of what it is now—would he?

Mr. PROXMIRE. That is exactly the situation that the dairy farmer would find himself in at the time of the referendum. He is a buyer of feed grains, not a seller. Therefore he has an interest in seeing the price go down under circumstances in which the price of milk is fixed. If the price of feed grains goes down, his costs would be less and so, of course, he would vote "no."

Mr. ELLENDER. In my judgment, he would vote "yes," in order to stabilize the price of livestock feed.

As I pointed out yesterday and today, and the RECORD is replete with this evidence—when the feed grain price is stabilized, it means that prices of meat, dairy, and other products are likewise stabilized.

Mr. PROXMIRE. But this cannot possibly affect the price of milk. I think the Senator is correct in his economic theory, and all experts agree with him with respect to beef and hogs. But because there is a price support for dairy products and because the farmer is getting \$3.11 a hundredweight—which is \$2.85 for 3.5 butterfat test milk—there is no question that on dairy products there would be every reason for the farmer to vote "no," and no reason for him to vote "yes." A great number of dairy farmers are eligible to vote. The economic positions of many farmers would require them to vote "no," and they will vote "no." Many hog and beef farmers, of course, would also vote "no," although there is an economic reason for them to vote "yes." But so far as concerns the price at which the farmer sells his beef or hogs, many farmers do not believe there is a direct connection. So they will vote "no," because they do not see any direct connection between the price supports for feed and the price of his beef or hogs.

I say this not because I want to see the plan defeated, but simply to make clear the terrible risk in enacting the mandatory program at this time. As sure as night follows day it will be defeated in the producer referendum. So what Congress will do if it enacts this program is in fact abolish any feed grains program.

Maybe that is what some Senators want. But let us be very clear that this will be the very likely result.

Mr. ELLENDER. I do not know what the dairy farmers of Wisconsin will do. I do not know whether they will wish to continue producing milk at a loss, as the Senator has pointed out on many occasions.

Mr. PROXMIRE. The Senator is correct.

Mr. ELLENDER. They cannot be losing much because they remain in business.

Mr. PROXMIRE. There is nothing else for them to do. They are locked into the farm operation.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. Their only alternative is to sell, get out, and join the unemployed.

Mr. ELLENDER. As I have pointed out on many occasions, something must be done in order to control production of feed grains as well as wheat. I shall include milk and other products. As the Senator knows, the committee did all it could recently to incorporate a milk program in the bill.

As the Senator knows, the milk producers of this country can produce all the milk they desire to produce without limitation. The price support ranges from 75 percent to 90 percent of parity. This program was put on the statute books in 1949. I have the most recent figures issued by the Department of Agriculture, indicating that the milk program costs the Government—including purchases, during last year, for butter and cheese and dried milk, and programs for schoolchildren and so forth—since 1949 through February 28, 1962—\$3,980 million, or almost \$4 billion. Such programs as these, if they continue without any controls, in my humble judgment will mean that they will affect good programs that are on the statute books. I do not want that to happen.

Mr. PROXMIRE. The Senator has produced some interesting figures. He has said that the cost has been nearly \$4 billion, for a period of approximately 12 years.

Mr. ELLENDER. That is right.

Mr. PROXMIRE. That is less than \$300 million a year, which is the amount the administration now says it is desirable to spend to purchase dairy products for constructive purposes, including school lunch, armed services, veteran programs, donations and welfare, and so forth.

Mr. ELLENDER. I am not complaining. The point I make is that, as the Senator points out, the average is \$300 million, but, last year alone, as I pointed out in committee, the cost was \$626 million.

Mr. PROXMIRE. I share the feeling of the Senator from Louisiana. We have to do something about the problem. I am offering an amendment to that effect. I am hopeful the Senator from Louisiana will give it consideration when the amendment is under consideration on the floor.

Mr. ELLENDER. Mr. President, will the Senator from Wisconsin permit me to place in the RECORD the table to which I have referred?

Mr. PROXMIRE. Yes; this would be a good place to insert it in the RECORD.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the table to which I have referred may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION
Acquisitions, dispositions, expenditures, realized losses, and sec. 32 costs
SUMMARY OF ALL DAIRY PRODUCTS

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses and sec. 32 costs ¹ (millions)
	Purchases	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1949				414							
1950	519	592	237	104	\$144	\$10				\$154	\$118
1951	53	117	12	28	8	1	\$4			13	15
1952	282	53		257	110	1	2			113	22
1953	1,262	187	113	1,219	432	21	9			462	197
1954	1,292	1,037	434	1,040	387	42		\$34	\$1	466	345
1955	1,132	367	1,254	551	249	50		21	9	329	584
1956	1,430	612	1,004	365	295	35		51	13	394	367
1957	1,851	395	1,404	417	344	30	9	62	25	470	437
1958	1,502	517	1,229	173	226	23	25	80	23	377	378
1959	1,564	344	1,163	230	216	14	7	78	23	338	312
1960	1,505	370	1,028	337	201	12		85	24	325	322
1961 (through Feb. 28, 1962)	1,972	270	1,307	703	426	17		81	21	545	307
Total	14,364	4,890	9,185	703	3,038	256	61	492	139	3,986	3,404

BUTTER

1949				87							
1950	126	134	69	10	\$75	\$3				\$78	\$44
1951	(3)	5	5		(3)	(3)				(3)	4
1952	106	11		95	71	7				71	17
1953	326	75	16	330	212					219	75
1954	294	115	154	355	175	17				192	134
1955	172	91	322	114	98	20				118	300
1956	161	146	101	28	95	7				102	103
1957	197	106	37	82	117	4				121	89
1958	168	171	37	42	98	5				103	88
1959	135	50	83	44	78					82	87
1960	153	107	18	72	90					94	129
1961 (through Feb. 28, 1962)	333	119	47	239	201	6				207	37
Total	2,171	1,130	889	239	1,310	77				1,387	1,107

CHEESE

1949				22							
1950	109	102	29	(3)	\$35	\$2				\$37	\$25
1951	1	1			(3)	(3)				(3)	(3)
1952	40	1		39	16	(2)				16	1
1953	317	23	14	319	122	6	\$6			134	28
1954	319	148	83	407	115	13				128	40
1955	151	29	234	295	52	19				71	129
1956	202	135	155	207	73	19				92	91
1957	240	58	201	188	88	16				104	118
1958	52	116	113	11	18	10				28	73
1959	52	25	26	12	18	2				20	19
1960	(3)	12			(3)	(3)				(3)	(3)
1961 (through Feb. 28, 1962)	123	(3)	64	59	47	2				49	26
Total	1,606	650	919	59	584	55	6			679	550

MILK, DRIED

1949				305							
1950	284	356	139	94	\$34	\$5				\$39	\$49
1951	52	111	7	28	8	1	\$4			13	11
1952	136	41		123	23	1	2			26	4
1953	619	83		570	98	8	3			109	94
1954	602	766	181	225	94	12	2			108	136
1955	581	184	480	142	98	11				109	122
1956	750	331	431	130	127	9				136	109
1957	811	231	563	147	139	10				158	143
1958	719	230	516	120	110	8	25			143	114
1959	812	269	489	174	120		7			135	105
1960	775	261	433	265	111	8				122	111
1961 (through Feb. 28, 1962)	1,017	180	697	405	178	9				187	142
Total	7,158	3,039	4,019	405	1,140	55	55			1,285	1,113

¹ Net realized losses are on a marketing year and sec. 32 costs are on a fiscal year basis.
² Includes collateral acquisitions of whey.

³ Less than 500,000.

Acquisitions, dispositions, expenditures, and realized losses by marketing year

MILK, FLUID

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses (millions)
	Purchases, armed services milk	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1950											
1951											
1952											
1953											
1954	16		16					\$34	\$1	\$35	\$35
1955	218		218					21	9	30	30
1956	317		317					51	13	64	64
1957	603		603					62	25	87	87
1958	563		563					80	23	103	103
1959	565		565					78	23	101	101
1960	577		577					85	24	109	109
1961 (through Feb. 28, 1962)	499		499					81	21	102	102
Total	3,358		3,358					492	139	631	631

WHEY

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses (millions)
	Collateral acquired	Sales	Donations	Inventory at end of marketing year	Collateral acquired	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1950											
1951											
1952											
1953											
1954	61	8		53	\$3	(1)				\$3	(1)
1955	10	13			1	(1)				1	(1)
1956						(1)					(1)
1957											
1958											
1959											
1960											
1961 (through Feb. 28, 1962)											
Total	71	71			1	(1)				4	3

¹ Less than 500,000.

FEED GRAINS NOT COMPARABLE TO TOBACCO, COTTON, WHEAT

Mr. PROXMIRE. I wish to emphasize what I am trying to bring out. I believe the distinguished chairman and the administration overlook two points when they propose a program for feed grains essentially similar to the mandatory programs for wheat, cotton, tobacco, rice and peanuts.

The first is that about two-thirds of the feed grain growers voting in a referendum produce feed grains solely or primarily to feed their dairy herds and other livestock. They are interested primarily in the price of their livestock products and only secondarily in the price of feed grains. About one-third of those voting in the referendum will have fewer than 50 acres of feed grains and fully half of the voters will be far more concerned with the size of their livestock feed base than with the price support level for feed grains.

The second is that many producers who vote for marketing quotas on their major money income crops may vote against marketing quotas for their supplementary feed grains crops, which are the basis of their livestock programs. There are about 235,000 farms in the major wheat producing States excluding Texas and Oklahoma, which also are important cotton producing States, and 292,000 farms in major cotton and tobacco producing States growing over 25

acres of feed grains and eligible to vote in a feed grain referendum. This is almost half of the producers who will be eligible to vote.

It is true that those who sell their feed grains will have the same interest in feed grain quotas as in quotas on other crops. But only a minority sell their feed grains. Those who feed their grains to livestock in the feed-deficit areas more typically oppose restrictive quotas on feed grains, while favoring quotas on their cash crops.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. The Senator was discussing, I believe, the large increase in acreage of feed grains which took place in the South.

Mr. PROXMIRE. I did not say that there was a large increase in the South, specifically. What I said was that there was acreage in cotton which had been diverted out of cotton, and that there had been wheat acreage which had been diverted out of wheat, and so forth.

Mr. ELLENDER. According to the Department of Agriculture's pamphlet entitled "Wheat, Feed, Livestock, Feed Grains—Changes in Harvested Acres, Yields, and Production, by Regions, 1940, and 1942 to 1956 and 1958,"—which is about the time when all of this decrease took place in acreage of cotton, rice, and other supported crops—the table I have before me shows that in the Southeastern

States there was a decrease of 31 percent in feed grain acreage, and that in the delta States, which include my State and Mississippi and Alabama, there was a decrease of 49 percent. Where the feed grain acreage increase took place was in the mountain States, where there was a 21-percent increase, and in the Pacific Northwest where the increase was 62 percent.

Mr. PROXMIRE. I did not specifically refer to the South, and I did not try to attack any region of the country. I said that they had diverted acreage, and most of it was out of wheat.

As the Senator knows, wheat is not a crop of the South, generally. It is generally a crop of the North. This is where the biggest diversion took place. It was out of wheat and out of cotton.

Mr. ELLENDER. There are quite a number of cotton States that did plant wheat as a feed grain.

Mr. PROXMIRE. Yes.

Mr. ELLENDER. Will the Senator permit me to put this table in the Record in connection with our discussion?

Mr. PROXMIRE. Yes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that table No. 9, appearing at page 22 of the pamphlet I hold in my hand, be printed at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 9.—Feed grains: Changes in harvested acres, yields, and production, by regions, 1940-42 to 1956-58

Region	Percentage change			Actual change		Percentage of total production, 1956-58
	Harvested acres	Harvested yields	Production	Harvested acres	Production	
	Percent	Percent	Percent	Million acres	Million tons	Percent
Northeast	-9	40	27	-0.5	1.2	4.0
Lake States	2	37	40	.4	6.5	15.9
Corn Belt	1	29	30	.5	13.8	41.8
Appalachian	-27	49	9	-2.8	.6	5.4
Southeast	-31	109	44	-3.4	1.7	3.8
Delta States	-49	51	-23	-3.4	1.7	1.8
Southern Plains	-9	56	42	-1.2	2.6	6.0
Northern Plains	0	33	33	0	5.4	15.2
Mountain	21	45	76	1.0	1.9	3.1
Pacific	62	40	126	1.7	2.4	3.0
United States	-5	40	33	-7.9	35.4	100.0

Mr. PROXMIRE. I have talked to a number of distinguished Senators, including Senators from the South and other areas, who say they are going to vote for the feed grain amendment. In some cases they are not very enthusiastic about it. They say they are in a position where they have to do so, but many of them tell me that their farmers are going to vote against it.

MANY PRODUCERS WILL VOTE "NO"

Reports have come to me from the Southern States indicating the probability that feed grain quotas would fail to win the necessary two-thirds approval in the first year. Further, in subsequent referendums the favorable votes would be even fewer, especially if the acreage diversion payments are reduced after the first year.

In addition to the 527,000 eligible feed grain producers in the wheat and cotton areas, there are about 215,000 farmers in the dairy States from Wisconsin eastward, who grew more than 25 acres of feed grains. All reports from these States indicate fewer than a majority of these producers, will favor marketing quotas for feed grains.

I believe that is a very conservative statement. I have tried to point out in my colloquy with the Senator from Louisiana that there is no reason why a dairy farmer should vote "Yes." The dairy farmers will vote "No." Some of them may be in favor of the program because they approve of the Secretary of Agriculture and of the President of the United States, and want to support them. There are people like that. They are fine people. They may do so because they feel that in the long run it will help. However, the majority of these farmers will sit down with pencil and paper and in a hardheaded way figure out, "What's in it for me?" They are expected to do that.

REPLY TO SECRETARY

At this point I ask unanimous consent that my reply to the letter I received from Secretary Freeman dated May 21 be printed in the RECORD. The Secretary's letter, which responded to my earlier letter of May 11, appears in yesterday's RECORD. My letter of May 11 appears in the RECORD of May 17.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. ORVILLE FREEMAN,
Secretary of Agriculture.

DEAR MR. SECRETARY: I have studied your reply to my letter of May 11, with much interest. There are several crucial points, however, which you overlook when you propose a program for feed grains similar to the mandatory programs for wheat, cotton, tobacco, rice, and peanuts.

The first is that two-thirds of the feed grain growers voting in a referendum produce feed grains solely or primarily to feed their dairy herds and other livestock. They are interested primarily in the price of their livestock, and only secondarily in the price of feed grains. In addition about one-third of those voting in the referendum have less than 50 acres of feed grains, and fully half of the voters will be far more concerned with the size of their livestock feed base than with the price support program for feed grains.

I note you include Wisconsin, Michigan, and Ohio, in the Midwest States, that have a direct interest in feed grain price supports similar to the Central Corn Belt and Plains States. By this grouping you found that 78 percent of the feed grain producers were located in the Midwest and Plains States where interest in feed grain price supports is highest.

It simply is not true that Wisconsin, Michigan, and Ohio have an interest in feed grain price supports similar to that of the cash grain producing areas. If these States are shifted to the other group, you will find, by your own data, that only 67 percent of the voters are located in the Central Corn Belt and Plains States.

Second, you state it is "unbelievable" that small producers would participate in the referendum and vote "no", because these producers would be exempt from the program if they didn't vote.

Small feed grains producers would not be exempt from the program. They would be restricted by law to growing not one square foot more silage or feed grains than they planted in 1961. Since many of these small producers buy feed to feed their livestock, they would also not be exempt from having to pay more for the feed they buy.

Far from being exempt from the program, they are sharply restricted by it and their costs may be raised by it. They would have a substantial monetary reason to vote in the referendum and vote "no".

Third, many producers who vote for marketing quotas on their major money income crops may vote against marketing quotas for their supplementary feed grain crops which are the basis of their livestock programs. It is true that those who sell feed grains will have the same interest in feed grain quotas as in quotas on other crops. But only a minority sell their feed grains. Those in the feed-deficit areas who feed

their grains to livestock oppose restrictive quotas on feed grains, while favoring quotas on their cash crops.

A distinguished agricultural economist from a Southern State said recently that it is doubtful that a referendum on feed grain quotas would be approved in the Southern States by a two-thirds majority the first year. Further, in his opinion, with more education, in the subsequent referendums fewer southern feed grain producers would favor mandatory quotas than in the first referendum. This especially would be true if the payments are lowered after the first year.

After reviewing the analysis you have presented, and all other information available to me, I reluctantly conclude that if a mandatory program for feed grains is to have a reasonable chance of success over a period of years, we must either develop a more acceptable mandatory program, or we must arrange for simultaneous referendums on at least the three major crops—feed grains, wheat, and cotton—with each farmer casting one vote either for or against marketing quotas on all quota crops on his farm.

Sincerely,
WILLIAM PROXMIRE,
U.S. Senator.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. I notice that the Secretary of Agriculture seems to take exception to the contention of the Senator from Wisconsin that the farmers will vote down the feed grain proposal. I believe there is a letter from the Secretary which the Senator from Wisconsin inserted in the RECORD yesterday.

Mr. PROXMIRE. If I could reply at that point I would like to say that the letter was inserted by the chairman of the committee. I have an answer to the letter, which I have just inserted in the RECORD. I am delighted that the Senator has brought up this point.

Mr. AIKEN. The Secretary of Agriculture gives his reasons why farmers, even though they might vote against it during the first year, will not do so in the second year. He says:

The price support of \$1.20 per bushel for corn announced for the 1962 marketing year would support cash prices during part of the 1962 marketing year, even if there were to be a much lower price support in 1963. But the prospect of a large 1963 crop and a very low support level would put severe pressure on cash and futures prices in the spring and summer of 1963. Prices would be weak, and farmers would be expecting extremely low market prices in midsummer 1963, when the second feed grain referendum would be held.

How does the Senator from Wisconsin interpret that? It looks as if the Secretary of Agriculture planned that if the farmers voted against the program once, he would put support levels at a place where the farmers would vote for them the next time—or else. Is that the interpretation which the Senator puts on the letter?

Mr. PROXMIRE. It is hard for me to interpret that letter, when my question was directed to the effect on dairy farmers especially, but also to the effect on beef and hog farmers, because the dairy farmers would still have an incentive to vote against the program for high feed prices, since their support price is established at a low level.

Mr. AIKEN. I was seeking an interpretation of the Secretary's language which, on its face, looks as if he felt that supports would be put so low and the downward pressure on prices and income would be such that the farmer would have to vote for it. I do not agree that the Secretary's theory would work out in practice, any more than I understand that the theory of the Senator from Wisconsin would; but I am surprised that the Secretary even intimated that this kind of pressure would be used.

Mr. PROXMIRE. I have faith in the Secretary of Agriculture.

I think he is an able man and an outstanding public servant, having an excellent record. I am sure he believes in the farmer and will do all possible to keep his income high. I do not believe that, if he could possibly avoid it, he would permit a situation of low farm income to result.

Mr. AIKEN. I do not believe the Secretary of Agriculture is the kind of man who would put undue pressure on farmers, to force them to do what he wanted them to do in every case. I suppose he must have read this letter, having sent it to the Senator from Wisconsin; but it does seem to have somewhat peculiar wording.

Mr. PROXMIRE. I thank the Senator from Vermont.

Mr. President, in the past few days I have several times pointed out that, in view of these facts, if a mandatory feed grain program is to be approved in a referendum, it is imperative that we arrange for simultaneous referendums on the major quota crops—feed grains, wheat, and cotton—with each farmer casting one vote either for or against all quota crops on the farm.

I call the particular attention of the Senator from Louisiana to this proposal, because I expect to call up tomorrow the amendment I have offered to his feed grain amendment, and I hope I will have the Senator's consideration of the proposal.

SIMULTANEOUS REFERENDUMS A MUST

The reason for simultaneous referendums is that where there are overall examples of diversion, we know perfectly well there will be a tendency on the part of some farmers to vote for, let us say, a cotton program which will limit their acreage, but against the feed grain program. Under those circumstances, they would then be free to go ahead and plant as much of their acreage as they wished in feed grain, and have the benefit of the cotton program, a high price support, and a subsidy as well. So it seems to me that this kind of a proposal would make sense, and it would secure what I have been trying to plead for on the floor of the Senate, day after day, for some time, namely, a better chance for a favorable vote on the referendum and a much better incentive for farmers to vote for the program, and not against it.

Returning, now, to the amendment which the chairman of the committee proposes to offer, I note that it would include a national minimum quota of 110 million tons of the feed grains: corn, grain sorghums, and barley. Can the

chairman advise me how this compares with the production in the base period 1959-60? How much of a cut in base acreage would be involved if the quota was set at this national minimum?

Mr. ELLENDER. In 1960, if I remember correctly, production of all feed grains amounted to about 155.6 million tons. Production of corn amounted to 109.4 million tons; barley, 10.3 million tons; oats, 18.5 million tons; and grain sorghums about 17.4 million tons.

Mr. PROXMIRE. This proposal, then, is for 110 million tons?

Mr. ELLENDER. One hundred and ten million tons is the minimum.

Mr. PROXMIRE. So the cut could be as much as 46 million tons, or a reduction of approximately 43 or 44 percent—at least, more than 40 percent.

Mr. ELLENDER. The total production figure I quoted, of course, included oats and rye. Under the law, oats and rye are out.

Mr. PROXMIRE. Then the reduction would be in the order of perhaps 30 or 35 percent?

Mr. ELLENDER. Yes; less whatever the rye and oats amount to.

Mr. PROXMIRE. I note that the amendment does not include oats in the feed grains to be controlled; and if the producer wished, an acreage for silage up to the acreage in the base period would not be counted in computing the farm allotment. This tends to make the program more acceptable in my State.

However, the provision that a marketing quota for the following year must be proclaimed by June 20, and a referendum held not more than 60 days later, limits the administration to less than 3 months to prepare for a referendum and to conduct the educational programs which are so necessary for a successful first referendum.

This appears to me to be a wholly unsatisfactory situation. Yet I realize that the referendum must be conducted in time to permit winter barley producers to make their plans accordingly.

SMALL FARMERS DISFRANCHIZED

Several Senators and other individuals have indicated their concern about the small acreage provisions of the proposed mandatory program. This is one of the most controversial sections of the amendment of the Senator from Louisiana. As I understand, any producer having 25 acres or fewer of feed grains may elect to participate in the program if he chooses.

If he elects in writing to participate, he may vote in the referendum; and if quotas are approved, he must plant within his allotment and is eligible for price supports. Is that correct?

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. If he elects not to participate, he cannot vote in the referendum. Yet if the referendum is approved, he cannot exceed his acreage of feed grains in the base period without being subject to a heavy penalty. I ask the Senator from Louisiana: Do I understand this provision correctly?

Mr. ELLENDER. That is correct; that is the way it ought to be.

Mr. PROXMIRE. That is hard for me to understand. Is it not true that

there are about 1,200,000 feed grain producers having fewer than 25 acres?

Mr. ELLENDER. I gave the figure to the Senator from Wisconsin a while ago.

Mr. PROXMIRE. I believe that figure is correct.

Is there any precedent in any farm program for restricting the right of 1,200,000 small farmers to produce feed grains without giving them an opportunity to vote in the referendum without serious economic penalty?

Mr. ELLENDER. That is done with wheat. The Senator from Kansas can tell us about that. A 15-acre provision was included in the wheat bill. Any farmer could join in the program and plant up to 15 acres. He could not vote, but he could do what he wanted to do with his production; he was not penalized. The Senator from Kansas can tell more about that situation than I can. In my humble judgment, it was a grave mistake to include such a provision in the wheat law.

Mr. PROXMIRE. I think it is a great mistake to include it in this bill.

Mr. CARLSON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Kansas.

Mr. CARLSON. The Senator from Louisiana is absolutely correct. It is a problem which has had a serious effect on the wheat production of the Nation. We might as well be practical. It is the only way in which legislation can be passed. It was necessary to do something in order to get the bill approved, because legislation was necessary.

Mr. ELLENDER. So far as the wheat producer is concerned, whether the grower had a history or not, he could simply plant 15 acres. But under my amendment to the corn and other feed grains bill, the farmer must have a history; he cannot just plant. The amendment does not permit new growers to come in without an allotment. That is the difference. We have tried to protect the situation in contrast with what the situation was with respect to wheat.

Mr. PROXMIRE. In other words, under this provision, the farmer who grows no feed grain now can grow none in the future. That was not true of wheat.

Mr. ELLENDER. He becomes a new grower. As the Senator knows, under the law there is a certain percentage of the entire overall acreage which is allotted to farmers which is set aside for new growers. He would get his proportionate share of that.

Of course, as the Senator knows, the same thing applies to wheat, to cotton, and to all the other basic crops which are under price supports.

Mr. PROXMIRE. This is certainly the first time when such a tremendous number of farmers—1,200,000—have been placed in a position where they cannot increase their production and cannot vote; or if they choose to vote, they have their production reduced as much as 20 percent.

Mr. ELLENDER. I think the amendment is in their favor. If the Senator wants cheap feed grain for his producers, now is the time to get it.

CHEAP FEED NOT THE ANSWER

Mr. PROXMIRE. The Senator from Wisconsin does not want cheap feed grain. He knows that cheap feed grain means cheap milk. It results in a terrible problem for all farmers. But there will be cheap feed grain, if the Senator's amendment is adopted because it will not be possible to get a two-thirds vote on the referendum. Then there will be real chaos and tremendous overproduction.

Mr. ELLENDER. I wish I could agree with the Senator from Wisconsin, but I cannot conceive of farmers voting against any kind of price supports in view of the fact that there is so much feed grain now in the hands of the Government.

Mr. PROXMIRE. Let us come back to the fundamental proposition, which is that two-thirds of the farmers will not be voting against price supports. There are no price supports on hogs or beef, and the dairy price supports will not be affected by the vote in the referendum. Therefore, they will be voting for freedom to produce as much feed grain as they wish or to buy cheaper feed grain, without any direct effect which they can see on the price of what they sell.

This will be the first time we have ever had such a referendum. Sam Lubell, whose professional reputation is excellent, whose samplings of public opinion have been found to be accurate over and over again and who has talked to thousands of farmers has written reports that they are overwhelmingly against this program. I have not seen any survey which indicates other than that they will vote "no." The Department of Agriculture has a theory that they will vote "yes," but I have shown very clearly that this is in error.

So it seems to me that there is a very strong chance that if the Senate adopts the amendment, since it does not affect a provision in the bill as passed by the House, there will be no basis in conference to drop this amendment and the Senate amendment will be the final provision. So this is the crucial step that may mean no price supports.

Mr. ELLENDER. No, Mr. President; there is a difference between the two versions, and there will be a conference.

Mr. PROXMIRE. But there will be no conference in regard to whether there will be a mandatory feed grain program; and the provisions of the two versions are roughly similar, although there are some exceptions and differences.

But my point is that the vote to be taken in the Senate tomorrow will be fateful; and, according to all the objective expert evidence we have, that would mean that there would be no supports for corn or other feed grains and no controls within a few months from now, when the program fails to get two-thirds approval in the referendum.

Mr. ELLENDER. Let me say that there is not a basic commodity that has received the treatment that corn has.

Mr. PROXMIRE. My position is that it has received bad treatment—

Mr. ELLENDER. No, Mr. President, in some way the corn producers have had

the power and have had enough votes to keep themselves from being subjected to controls of any kind. They have had good backing from some source, although I do not know what it is. But I have said many times on this floor that I do not think it is right for a farmer to expect the Government to support the price of the crops he produces, unless he is willing to reduce his production in keeping with our requirements.

Mr. PROXMIRE. Mr. President, I accept that as a principle.

Mr. ELLENDER. And that is all my amendment does.

Mr. PROXMIRE. But that is not the question the farmer is asked to vote on. I am sure that if the only farmers who would be voting would be the commercial feed grain producers, there might well be a two-thirds approval in favor of the proposed program. But the dairy farmers will vote "no." The dairy farmers I have talked to in Wisconsin generally agree that they will vote "no." And many others will vote "no."

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. Is it not possible that the reason why Congress and the country generally has never required acreage controls for feed grains is that more than 80 percent of the corn produced is consumed either on the farms where it is produced or in their immediate neighborhood, but the same is not true as to cotton, tobacco, or any of the other price-supported commodities?

Mr. PROXMIRE. That is correct.

Mr. HOLLAND. And does not the Senator from Wisconsin think that that situation has justified a real distinction between the handling of those crops and the handling of wheat, cotton, tobacco, rice, and the like?

Mr. PROXMIRE. Absolutely so, and that distinction is enormously important, because if we state that because this arrangement works with tobacco, cotton, peanuts, and so forth, it will work with feed grains, we are deceiving ourselves, because, as the Senator from Florida has pointed out, some 80 percent of these farmers feed on their own farms all the grain they produce, and they have no apparent incentive to be in favor of voting to limit their production.

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. I wish to call the Senator's attention to the fact that, as to many States and many areas, not just 80 percent or 85 percent of the feed grains produced on the farms are consumed on the premises or in the immediate neighborhood, but the entire amount produced there is consumed there, because so many of the areas do not produce all the feed grains they need. For instance, my own State, which is a large producer of livestock and a sizable producer of poultry and a sizable producer of corn and hogs, not only produces a

great deal of feed grains, all of which it uses, but also imports large quantities of feed grains from the areas where it is produced, and imports them at a much higher price than would be paid if those feed grains were imported from nearby areas, because Florida is so far removed, geographically, from the large producing areas.

So what possible reason is there to require a reduction in the production acreage in a State such as Florida.

Mr. PROXMIRE. Or in the State of Wisconsin.

Mr. HOLLAND. Or in other States which can be mentioned, when such a situation exists, and is well known to the committee and to the public and to everyone else who knows anything about the facts.

Mr. PROXMIRE. And what the Senator from Florida has said about Florida is also true of Wisconsin and of many, many other States.

The fact is that Wisconsin is primarily a dairy State, but Wisconsin is also a corn-hog producing State, but produces no feed grains, to speak of—probably less than 2 percent for commercial sale. So the farmers in Wisconsin have no reason to vote affirmatively on this program. Some of the farmers will do so because they have strong support for the Secretary of Agriculture and for the President of the United States, and will follow them. But by and large the overwhelming number of farmers in Wisconsin who sit down with a pencil and paper will vote "no"; and what is true in Wisconsin is also true in Michigan, and tends to be true in Ohio and in New York and in State after State after State. No matter what affirmative vote is received in States in which corn is produced in large quantities—for instance, in Iowa—the affirmative votes cast in those States cannot possibly be enough to carry the referendum; and every independent expert agrees with that statement. The Department of Agriculture disagrees—but disagrees on theory, not on the basis of actual surveys. And their theory, too, does not stand up under detailed analysis, as I have shown.

Mr. HOLLAND. Does the Senator from Wisconsin think there is any fairness in imposing acreage controls and reducing production in States, such as Wisconsin and Florida, where the amount of feed grains produced is not sufficient to feed the stock, but at the same time to have knowledge of the fact that the feed grain which the farmers in those States will import—and this is more true in Florida than it is in Wisconsin—must be sold at a considerably higher price than the feed grains produced locally, because of the large transportation cost involved. Is there any fairness in such a program?

Mr. PROXMIRE. It is not just a question of fairness. The individual farmer who produces less than 25 acres has the option of either voting in the referendum and agreeing to accept a cutback or not voting at all. But either way he faces a limitation on the amount of corn and silage and feed grains which he can produce. There are 1,200,000 farmers who will be in that position—

who have less than 25 acres, and who may have no vote, but who will have their production limited. I certainly do not look forward to having to explain that situation to the farmers in Wisconsin; that will be a very tough one to explain—to explain how they can be told by the Department of Agriculture that they cannot increase their production, even though they did not vote.

Mr. HOLLAND. Is it not true that substantially the same program as to feed grains was voted down by a majority of the Senate Committee on Agriculture and Forestry, and that the bill could never have been reported to the Senate with a favorable vote by a majority of the committee, except for the fact that that amendment was voted down in the committee?

Mr. PROXMIRE. I think that is correct; I believe it would have been much more difficult to get the bill reported if the amendment had not been rejected in the committee.

Mr. ELLENDER. Well, Mr. President, I disagree; but I shall not now state why.

Mr. PROXMIRE. Mr. President, believing as I do, it should be abundantly clear that my opposition to the proposed mandatory feed-grains program is in no sense based on any hostility to the Department of Agriculture or its able Secretary, my good friend, Orville Freeman.

In spite of the attacks on Secretary Freeman, including the very recent attacks, I have the greatest admiration and respect for him and his staff. They have been doing an excellent job under difficult and trying circumstances.

But as I made plain in my statements in the Senate on April 17, and again on May 17, which appear in the CONGRESSIONAL RECORD on pages 6239 and 8071, I cannot bring myself to vote for a program that demonstrably will result in income devastation for by far the largest group of farmers in our country—the feed grain, dairy, and livestock producers.

RELATIVE COSTS FOR FEED GRAINS NOT HIGH

On page 8279 in the RECORD for May 22 Chairman ELLENDER inserted a table showing the Government costs of alternative programs for 1963 crops. I ask that it be printed again at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Government cost of alternative programs for 1963 crops

(In millions)

	Feed grains	Wheat	Feed grains and wheat
Long-range program.....	\$644	\$1, 188	\$1, 832
Extension of 1961-62 emergency programs.....	1, 200	1, 217	2, 417
Return to 1960 programs.....	1, 372	1, 465	2, 837

Mr. PROXMIRE. Mr. President, the figure of \$1.2 billion projected cost for an extension of the present feed grain program, as provided in the committee bill, is misleading.

First. This is a bookkeeping cost for payments in kind. Real value of grain

in storage is far less. Most of it would be disposed overseas eventually for no dollar returns.

Second. Real cost depends on weather and crop yields. It is the cost of taking over the new crop. If we have average weather and yields, rather than bumper crop of last year, actual costs will be about half: \$600 million.

The figure of \$1,188 million for wheat under administration-backed long-range program is almost equal to the unrealistic bookkeeping cost projected for extension of feed grain program.

But the value of the wheat crop produced in the United States runs less than 40 percent of feed grains. If costs of price supports are related to total values of crops—the only fair comparison—then feed grains under any program are entitled to substantially more support, on the order of \$2.5 billion.

I am certainly not advocating this. But since the real cost of the feed grains extension in the coming year is likely to be about \$600 million, which is half the projected cost of the proposed wheat program and less than one-fourth the cost of expenditures for feed grains that would be comparable to the wheat program, it certainly is misleading to call the feed grains extension a wasteful, costly plan.

Indeed, the cost of extending the present successful voluntary program for 1 year, as I recommend and as the Senate Agriculture Committee approved, could in all likelihood be less than the \$644 million outlay projected for the mandatory feed grains program, a program which I have shown over and over again is likely to be rejected in the producer referendum, with the devastating results of no price supports, vast overproduction of feed, distress livestock prices, and a greater than every dairy surplus.

SUMMARY

I want to summarize by saying that every farmer should realize the tragic risk in the administration-backed mandatory feed grain proposal.

If enacted by Congress it would be subject to two-thirds approval in a nationwide referendum. All independent studies and polls show that a substantial majority of the 1.2 million farmers who grow 25 acres or more of feed grains would vote "no" on a mandatory acreage quota program, so it would be defeated.

The result: no price supports, no output controls, vast overproduction of feed, low feed prices, and the grim consequences of 9 cent hogs, distress beef prices, and a greater than ever dairy surplus.

This would be tragic for Wisconsin farmers, who even at present price levels earn an average of less than 60 cents an hour for their labor, though they have an average investment of \$40,000 in their farms and have increased their labor enormously.

What is more, in voting on the mandatory feed grain program, dairy farmers would have every reason to vote against it.

Dairy farmers will be chained to \$3.11 per hundredweight, 75 percent of parity

milk—\$2.85 for 3.5 milk—and will have every reason to reject a plan which will limit the amount of feed and silage they can grow on their own land and increase the price of the feed they buy.

Even farmers who grow less than 25 acres of feed grain who do not vote in the referendum would be prevented from growing more than their 1960 base acreage.

The Senate Agriculture Committee wisely rejected the Department of Agriculture's mandatory program and voted for the Proxmire amendment, which extends the present successful voluntary feed grain surplus reduction program proposed by the administration last year.

I want to emphasize that this is not a matter of simply rejecting the administration's proposal. It is a matter of rejecting a mandatory proposal for a voluntary program which I agree is an interim proposition, and which I agree should stay on the books for perhaps only 2 or 3 years, but recognizing the fact that it has been a successful program and that to continue the program is the safe and sane and practical thing to do.

This program has increased farm income, reduced the surplus, and cut the cost to the taxpayer. It is popular and it is working. It should be strengthened and extended, not abandoned for a dangerously risky and cumbersome mandatory plan.

In the event the Ellender amendment is not rejected, I shall offer an amendment to tighten up the program, which would require compliance on a substantially broader basis and which will sharply cut the cost of the program.

MANDATORY WHEAT PROBLEM HINGES ON APPROVAL OF FOOD GRAIN REFERENDUM

Mr. President, I apologize for detaining the Senate further, but I would like to ask the chairman of the committee a question.

Is it not true that the proposed long-range mandatory marketing quota programs for wheat and feed grains are interlocked, so that if one is rejected in a referendum, the other cannot work?

Mr. ELLENDER. They are somewhat related, but each could work by itself.

Mr. PROXMIRE. Specifically, the key feature of the wheat program, from the viewpoint of the wheatgrowers, is that wheat may be grown on diverted feed grain acres, at the Secretary's discretion.

Mr. ELLENDER. And vice versa.

Mr. PROXMIRE. But, as a matter of fact, if the wheat program is rejected in the referendum—and I have been arguing for a month that it is going to be rejected—this will not be permitted. The Secretary cannot then permit wheat to be grown outside wheat allotments.

So if the mandatory feed grains program is rejected in a referendum, the key to a successful wheat program is lost, as all wheatgrowers know and have repeatedly stated.

However, if the present successful voluntary feed grains program is extended, then it will be possible to permit wheatgrowers to grow wheat on their diverted feed grain acreage.

In view of the likelihood that a mandatory feed grains program will be de-

feated in a referendum, wheatgrowers should recognize that it will be far less risky to extend the present voluntary feed grains program.

I want to emphasize that, while I have been opposing the Ellender amendment, I recognize that the Senator from Louisiana is not only able, energetic, and hard working, but that he is taking a position which is always difficult. Anybody who proposes a constructive farm program is "shot at." I would like to say that, in the general principles he is following, he is right. I think we are going to have to have supply management for feed grains and milk, but I think we ought to design a program which will work and get an affirmative vote. I think once we provide such a program for dairy and it is successful, then such food grain acreage which is entirely consumed on the dairy farm can be exempted. This will help get an affirmative vote.

The second amendment I have, provides for simultaneous referendums on all farm programs, so they would be voted on together, so that it would be impossible for a cotton farmer to vote "yes" on a cotton program and "no" on a feed grains programs. Under those circumstances, we might have a far better chance of getting an affirmative vote.

It seems to me both these proposals will go a long way toward making it possible to see that the feed grains farmer, the dairy farmer, the beef farmer, and the hog farmer will be benefited and that there will not be a collapse of markets, which I think will ensue if the Ellender amendment is adopted, because the referendum will not be approved.

MILWAUKEE JOURNAL PRAISES LAND USE ADJUSTMENT

Mr. President, in conclusion I ask unanimous consent that an article which appeared a few weeks ago in the Milwaukee Journal be printed at this point in the RECORD. Written by the Journal's able out-of-doors writer, Mel Ellis, the article praises the land use proposals contemplated in title I of the pending farm bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMERS CAN HELP NATION'S SPORTSMEN—
AGRICULTURAL GROUP ASKS THEM TO CO-
OPERATE BY HELPING PROVIDE FACILITIES

(By Mel Ellis)

Farmers across the Nation are neglecting a major crop. While they harvest more food and fiber than we can use at home and abroad, they overlook an outdoor-hungry crowd which is ready and willing to pay for fresh air, sunshine, and relaxation.

How many thousands of potential farm ponds await only an assist from the bulldozer and the dragline? How many thousands of acres of woodlands need but picnic benches and outdoor fireplaces to make them recreational havens? Marginal lands which would support game with proper habitat management lay neglected. Streams which could support trout and warm water fish need only an assist to make them productive.

AMONG TOP NEEDS

Adequate outdoor recreational facilities are among our most crying needs. Public lands can't begin to absorb the throngs look-

ing for a place to play. The farmer is in a position to meet the public's demand.

This is no supposition of some wildlife agency, but a conclusion of the U.S. Department of Agriculture. In what surely is a surprise about-face, this division of Government has forgotten for the moment to push for record crop yields, more drainage, etc., and issued a pamphlet urging farmers to make outdoor recreation a "major product of American farms."

The pamphlet reads, in part: "Even in 1980, our farms will be able to produce all we need on about 50 million fewer acres than are available for crop use today.

"Why not use these acres for products we do need—more new areas for picnicking, camping, and hiking, and more wildlife and fish, more water for fishing, swimming, boating, and hunting?"

SEVERAL LEAD WAY

Some farmers have been in the business of selling outdoor recreation. In West Virginia 157 farmers offer hunting and fishing in exchange for room and board. In many Southern States farm ponds are fished regularly for a fee. Ranchers in the West conduct hunting parties across their acres after the summer season. Some farmers in the North have installed ski tows and opened hills to skiers. Others, with lake property, have provided access and improved swimming beaches.

"The increased leisure time," according to President Kennedy, "enjoyed by our growing population and the greater mobility made possible by improved highway networks have dramatically increased the Nation's need for additional recreational areas."

And the farmer, the man who owns three-fourths of the Nation's surface, is in a position to meet this need.

Mr. CARLSON. Mr. President, the discussion today seems to center around the proposed feed grains legislation. Really, there is a wheat amendment pending before the Senate, but I also have an interest in the feed grains amendment, and I wish to discuss it rather briefly.

I wish to say most sincerely that it is difficult for me to oppose the views of our distinguished chairman, the Senator from Louisiana [Mr. ELLENDER]. I know of no one who is more dedicated to working out a farm program, who gives more of his time, who is more familiar with the subject, than the Senator from Louisiana.

I am concerned, as was mentioned by the Senator from Wisconsin, about an affirmative vote on a program which I do not believe the farmers of Kansas will accept. I say that for two or three reasons.

First, the voluntary program is working satisfactorily. The 1961 program resulted in the first reduction in feed grain stocks in 9 years. With average weather the reduction in stocks will be even greater this year.

Second, farmers like this program. Participation and the acreage diverted from feed grain production will be higher this year than last.

Latest reports indicate that 59 percent of the feed grain producers in my State of Kansas are now participating in this voluntary program. The participating farms account for 67 percent of the corn base acres in Kansas and 71 percent of the grain sorghum base acres.

Last year, on an acreage basis the participation was even higher. The par-

ticipating farms accounted for 73 percent of the corn and 83 percent of the grain sorghum base acres.

With a continuation of this voluntary program we can confidently look forward to reducing our stocks to desirable levels in another 2 or 3 years.

Mr. ELLENDER. Mr. President, will my friend yield for a question?

Mr. CARLSON. I am glad to yield.

Mr. ELLENDER. I point out to my good friend from Kansas that if the proposal I have submitted is agreed to there will be, for the next 3 years, the same program the Senator now says is a good program. The only difference would be that the program would apply to all farmers. In other words, farmers would receive virtually the same income, and they would be paid for diverted acres. It would be almost the same program as that we now have.

I wish to say also to my good friend that under the amendment we would have a permanent program, and we would not return to that part of the present program which permits the planting of all feed grains a farmer desires and the getting of price supports without any controls.

Mr. CARLSON. As usual, our distinguished chairman knows what he is talking about. I think he is absolutely correct on a program.

However, this enters into a situation in respect to which the individual farmers in my State and in other States have grave concern. Some farmers have not gone into the program. There have been farmers in Kansas and in other States who have not participated. Even though the Commodity Credit Corporation forced out grains on the market, to keep prices lower, those farmers made more money than the folks who went into the program. The farmers are concerned about a mandatory program. That is why I think it would be a mistake to do what is proposed.

We have had unusually favorable weather for the past 4 years. The weather in 1961 was perhaps the most favorable for any year on record for feed grain production. It is unlikely that such favorable weather will be repeated soon. If weather is only average, the real Government costs of continuing the voluntary program will be much lower than they were in 1961 because stocks will be drawn down more rapidly. Also, fewer bushels from the current crop will be placed under price support loans if per acre yields are lower.

In view of these considerations, and in view of the evidence presented indicating the probable failure of a feed grains marketing quota referendum, I believe we should continue the voluntary program for another year or two.

I believe I know the feelings of the farmers of Kansas. I have visited with many of them. My mail indicates they will not vote for a program of the type proposed.

I share the view of the Senator from Wisconsin [Mr. PROXMIRE] that it would be disastrous if we did not have some price support program. It not only would be an economic disaster for the farmers, but also would have a serious effect on our Nation. It would have

such an effect on our Nation at a time when we are experiencing a recession. I do not believe we can afford to tinker further with the economic machinery of this Nation. I think we face some real difficulties.

But, Mr. President, I have another important reason for wanting to see the voluntary feed grain program continued rather than shifting to a mandatory program.

Although Kansas is an important feed-grain producing State, it is an even more important wheat producing State. For this reason I am perhaps more interested in the sections of S. 3225 dealing with wheat than I am with those dealing with feed grains. But these two programs are interlocked in such a way that one cannot succeed if the other fails. This is especially true of the provisions for the substitution of wheat acreage for feed grain acreage.

James Dyess, executive vice president of the National Association of Wheat Growers, in his May 18 letter to his members, comments on the amendments to be offered to S. 3225 by the distinguished chairman of the Committee on Agriculture and Forestry. He says:

The feed grain amendment also contains the substitution clause permitting wheat to be grown on feed grain acres, or feed grain to be grown on wheat acres. This is the key to a successful wheat program.

The real purpose of my taking the floor this afternoon was to warn my fellow Senators who are primarily interested in the wheat sections of S. 3225 that if a mandatory feed grain program is substituted for the voluntary program and the referendum fails, they will have lost "the key to a successful wheat program."

If a feed grain referendum fails, it appears most unlikely to me that the Secretary of Agriculture would permit the planting of wheat for livestock feed outside the wheat acreage allotments. I do not believe that Corn Belt farmers would accede to such an interpretation of the authorizing section in the proposed amendment if they were receiving only 50 percent of parity price supports.

I personally am supporting a continuation of the voluntary feed grain program because I think it will be best for both the feed grain and for the wheat producers. By adding a simple authorization, any wheat produced who also is a feed grain producer, if he cooperates in the voluntary program and diverts at least 20 percent of his feed grain base acres to conserving uses, could be allowed by the Secretary to substitute wheat on his remaining feed grain acres.

A provision such as this would meet the needs and desires of the wheatgrowers. It also would tend to increase participation in the voluntary feed grain program. I hope that the administration's amendment providing for a mandatory feed grain program will be defeated and that a wheat acreage substitution section will be made operative in the voluntary feed grain program. I hope and believe that the Senators primarily interested in the wheat sections of S. 3225 will join me in this action.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A PROGRAM DANGEROUS TO AGRICULTURE

Mr. BENNETT. Mr. President, I have followed the action of the Committee on Agriculture as it gave consideration to the various proposals dealing with the agricultural problem. I am sure that every member of Congress wants to be helpful in developing a program designed to help encourage and keep agriculture in a healthy economic condition.

Despite changes in relative trends, agriculture is still one of Utah's most important industries. In 1961 the cash receipts from farm marketings amounted to \$156,193,000. About \$125 million of this income from agriculture came from livestock. Utah is also an important producer of wheat. Dairying plays an important part in the income of Utah agriculture. Thus, I have a special interest in the main features of this bill.

I hope that the Senate and the House will not be stampeded into hasty action with regard to agricultural legislation. I recognize that the continued pile-up of surplus agricultural commodities in the hands of Commodity Credit Corporation is not in the best interest of the farmers, the taxpayers, and certainly, the Treasury of the United States; however, we should move with extreme caution and make sure we do not jump out of the frying pan into the fire. For example, I understand that it is the intention of certain of my colleagues to offer an amendment to the pending bill that would lead certainly to milk marketing quotas in another effort to direct from Washington the production of one of our most basic foods.

I hope that my colleagues will think seriously about this matter and that we will reject the imposition of these stringent controls on American dairy farmers. I know that in Utah dairy farmers unanimously disapprove compulsory cow quotas, and I am sure most dairymen throughout the country feel the same way.

With regard to wheat I recognize too that we are continuing to pile up surpluses of wheat; however, I would point out that under the basic law that is currently on the books the present Secretary must be held accountable for what happened in 1961. At that time wheat price supports were at 75 percent of parity—roughly \$1.78 a bushel. The Secretary of Agriculture, in spite of the almost 16 months' supply on hand, increased the price support to \$2 per bushel. Is it any wonder that farmers produced wheat?

Then, the Senator will recall that in 1961 the Secretary of Agriculture recommended an emergency wheat program, which was designed to pay farmers not to produce wheat. It was a program that was destined to fail from the beginning, because we put ourselves in the position of bidding with farmers to take out land at the same time we were offering them an increased incentive price to produce.

The two choices for wheat farmers offered in this legislation now under consideration are both bad choices. Instead of starting out on another uncertain road with regard to wheat, I suggest that the Secretary of Agriculture exercise his authority under the law by reducing the Government guaranteed price support for wheat.

As to feed grains, I think we must be extremely careful as we consider this matter, because about two-thirds of our farm income is derived from livestock and livestock products. Feed grain is used to produce this income. I recognize that the bill currently under consideration as reported by the committee, S. 3225, simply extends the so-called emergency feed grain program. But again, I call to your attention the permanent provisions of law dealing with feed grains. Many of my colleagues will remember the long hours of debate on the Agricultural Act of 1958. The emergency feed grain program was superimposed on this permanent provision of the law. Again, the Secretary of Agriculture increased the price support from roughly \$1.05 a bushel for corn to \$1.20 a bushel; and at the same time we asked farmers to retire acreages of corn.

In 1961 the story is very clear. This program cost in the neighborhood of \$850 million; and Secretary of Agriculture Freeman himself now admits that we only got a net reduction of about 200 million bushels of corn. This is at a cost of more than \$4 per bushel.

The bill now before the Senate would give Washington much greater control over agriculture, and experience has shown that this is a dangerous direction in which to go. In Utah, for example, we have recently had several examples of arbitrary actions on the part of agricultural officials. The most notable case was one last year involving Under Secretary of Agriculture, James T. Ralph, who was recently dismissed from the Department because of his involvement in the Billie Sol Estes case. Testimony before the Permanent Subcommittee on Investigations of the Committee on Government Operations last August revealed that Mr. Ralph had threatened reprisals against a group of Utah cattlemen who had indicated their opposition to the administration's omnibus farm bill.

The question of placing increased power in the hands of men such as Mr. Ralph will be particularly important if the Ellender amendment is approved, repealing the 1958 Act and superimposing a strict control system and high price support program. This program will involve both blackmail and bribery. It plans for giving farmers a sup-

posedly democratic vote on whether to accept Government marketing regulations, but they really will have no voice in the matter. The program provides that if they reject the program, price supports will be lifted, and the Government will dump surpluses on the market which, of course, would have disastrous consequences. Thus, the surpluses created by unwise Government programs in the past would be used to coerce farmers into accepting the proposals for even tighter controls over marketing and acreage.

I recommend that the Senate allow the temporary law to expire, reject the Ellender amendment, and allow the 1958 law to go into effect with regard to feed grains.

The Billie Sol Estes scandal, which has shaken the faith of many Americans in the soundness of the programs and administration of the Department of Agriculture, has caused some people to want to push the "panic button." But if there is anything to be learned from this experience, it is the danger of placing additional bureaucratic powers in the hands of those who would control agriculture. We must make sure that any legislation we pass this year will not further regiment farmers and ranchers, leading to further Government domination and low farm income.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the testimony of Robert Murphy and Howard J. Clegg, secretary and president, respectively, of the Utah Cattlemen's Association.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ROBERT MURPHY AND HOWARD J. CLEGG

Mr. MURPHY. Bob Murphy, and I am secretary of the Utah Cattlemen's Association, Salt Lake City.

The CHAIRMAN. Very well, will you give your address for the record.

Mr. MURPHY. 1221 Newhouse Hotel.

The CHAIRMAN. Will you identify yourself for the record, please.

Mr. CLEGG. Howard Clegg, C-l-e-g-g. I am president of the Utah Cattlemen's Association, and I reside in Tooele, Utah.

Mr. O'DONNELL. Mr. Clegg, did you attend an informal meeting on the administration's farm bill in Salt Lake City on May 17, 1961?

Mr. CLEGG. Yes, sir.

Mr. O'DONNELL. Was a prominent official there, Assistant Secretary James T. Ralph of the Department of Agriculture?

Mr. CLEGG. Yes, sir.

Senator MUNDT. Who had called the meeting, Mr. Ralph or you fellows?

Mr. MURPHY. The meeting was arranged by the extension service of Utah State University, Carl Fresnick, director.

Mr. O'DONNELL. Who was present at the meeting, generally?

Mr. CLEGG. Myself, Mr. Murphy, and the president of the Utah Wool Growers Association, Carl Fresnick, the director of the extension service, and Jess Tuttle and John Gillman of the State ASC committee, and Glade Alread, the administrator of the State ASC.

Mr. O'DONNELL. Making a total number of approximately how many people?

Mr. CLEGG. Approximately eight people.

Mr. O'DONNELL. This meeting was in the evening?

Mr. CLEGG. No, it was starting in the morning and then they had some other appoint-

ments and then it was reconvened in the afternoon.

Mr. O'DONNELL. Were any minutes made of the meeting, was any recording taken?

Mr. CLEGG. No, sir.

Mr. O'DONNELL. Were any notes made?

Mr. CLEGG. Not to my knowledge.

Mr. O'DONNELL. Then there is no record of the meeting as such?

Mr. CLEGG. Only our recollections.

Mr. O'DONNELL. Now what to your recollection was stated by Mr. Ralph which would indicate that he might take, or means might be taken by the Agriculture Department, as a reprisal against the cattlemen?

Mr. CLEGG. I wrote an editorial for a cattlemen's association magazine, and this was written the following day, and I wrote, to my recollection, what was stated in the meeting for the magazine—that is, the next day following the meeting.

The CHAIRMAN. As I understand it now, the next day after the meeting, at which he made statements, you wrote an editorial for the cattlemen's association paper?

Mr. CLEGG. Yes, sir; and I have what I wrote here but it wasn't published.

The CHAIRMAN. It was not published?

Mr. CLEGG. Yes, sir. We decided that it might be political and might be interpreted by the membership of the cattlemen's association as a political move, so that on the advice of other members we didn't put it in the publication.

The CHAIRMAN. Do you have what you wrote at that time?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. You wrote that the next day?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. The incident and what had occurred was fresh in your mind?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. Did you undertake truthfully to record therein in a general way, or whatever comments you made, what had occurred?

Mr. CLEGG. Yes, sir; truthful as I could.

Senator MUNDT. Have you read that?

Mr. MURPHY. I am the editor, and it was at my intervention that I and other members of the association decided it would be better not to publish it at this time.

Senator MUNDT. You have read it?

Mr. MURPHY. Yes, sir; I have.

Senator MUNDT. My question was, having sat in at the meeting and having read the editorial, did the editorial faithfully reflect what took place at the meeting as you remember it?

Mr. MURPHY. I believe it does to the best of my recollection; the statements in general relayed the tempo and the feeling of the statements that were made to us by Mr. Ralph.

Senator MUNDT. The reason you did not publish it was not that it was not factual, but because you felt it might be considered political by some of your members?

Mr. MURPHY. That is exactly right and that was the purpose of our not having it in the magazine at that time.

Senator MUNDT. How soon after it was written did you first read the statement?

Mr. MURPHY. I had it in our office the following day, after I got it in the office the evening after the meeting was held in Salt Lake, on May 17, and that would make it on May 18.

Senator MUNDT. The next day, and he said he wrote it the next day.

Mr. MURPHY. The following day after that I received it.

Senator MUNDT. The evening of the day following the meeting?

Mr. MURPHY. That would be on May 19.

Senator MUNDT. So your memory was fresh, then, when you read it as to what had occurred?

Mr. CLEGG. I wrote it the following day but before I got it into the magazine, it is dated

May 22, so it was within 3 or 4 days that it was sent in to him.

The CHAIRMAN. In other words, you wrote it and it was sent in to him, some 2 or 3 days after.

Mr. CLEGG. Yes, sir.

The CHAIRMAN. But anyway, it was very shortly after the incident occurred, and the article was written that you first read it?

Mr. MURPHY. That is right.

The CHAIRMAN. Did you find anything in it at that time, when your memory was fresh about it, that you would want to correct or modify or change as to what the facts were?

Mr. MURPHY. No.

The CHAIRMAN. Very well.

Senator MUNDT. I suggest the witness read the editorial, Mr. Chairman.

The CHAIRMAN. The whole editorial may be printed in the record at this point.

(The editorial referred to is as follows:)

UTAH CATTLEMEN ASSOCIATION,
Salt Lake City, Utah, May 22, 1961.

DEAR FELLOW CATTLEMEN: A timely subject for this month's letter is this so-called "omnibus" farm bill, H.R. 6400 and S. 1643. I have attempted to acquaint myself by reading the bill, by studying a digest of it written by DON L. SHORT, a cattleman Representative to Congress, by studying the American National Association's statements regarding it, and through conferring with Assistant Secretary of Agriculture, James T. Ralph. Assistant Secretary Ralph was in Salt Lake May 17 and spent 1½ hours discussing the bill and its effects on livestock with Mr. Welby Aagard, of the Utah Woolgrowers Association, Bob Murphy, and myself of our association.

The bill is long and complicated and is subject to wide interpretation by different groups. The ANCA has appeared before both the House and Senate Agriculture Committees and asked that the cattle industry be exempted from coverage by the bill. They also made a few other specific objections. The ANCA expressed considerable concern that the bill would give increased power to the Government to control the numbers and marketing of cattle. Mr. Ralph states that the ANCA is completely wrong in this interpretation and that the bill is intended as implementing legislation for each commodity group to take the action that they may desire to control the production and marketing of their product. One of the provisions of the act requires a national referendum of bona fide producers before any commodity program can be put into effect. The ANCA objected to the method of selection of the national farm advisory committees. The bill states that the county ASC committees will nominate two-thirds of the committee and that the other one-third will be nominated by the farm organizations. Since cattlemen have not had a major interest in the ASC program, it is not felt that they are properly represented on the county committees. Mr. Ralph contended that this could be taken care of by amendment to the bill to insure proper industry representation.

Mr. Ralph contends that the cattle industry is the only major commodity group that has not been able to produce considerably beyond the amount that consumers are willing to buy at a reasonable price. Also, he states that cattle numbers have been held in check by the slow increase rate and by the low prices during the high-production phase of the cycle. He states that cattlemen have been content to take the low prices because they know that they could make it back on the high side of the cycle. He believes that in the future there may not be much of a high side due to the tremendous increases in imports. My personal feeling on the matter of future cattle numbers is that we have a greater potential for increase than we are recognizing. It is my feeling that the increased demand for lighter weight animals with less waste fat and the

sharp price reduction of yearling feeders compared with calves will liquidate the yearling phase of our cattle business. The range, pasture, and supplementary feed used by these yearlings is going to be used for cow and calf operations. With the large feed supply produced by our farmers, this change could bring about a much greater beef supply than we have been considering.

After considerable discussion and disagreement on the various parts of the farm bill the question was asked regarding the attitude of the new administration toward the cuts of livestock usage on the national forests. Mr. Ralph answered that if the cattlemen insist on being free enterprisers that he would be in favor of removing all livestock from the public ranges. He further stated that he would welcome all of the beef imports that South America, New Zealand, and Australia care to send until the cattlemen get all the free enterprise they want. He had previously explained that there was a difference between free enterprise and private enterprise and that it was private enterprise that this administration was interested in maintaining.

The vindictive attitude of Mr. Ralph was a considerable shock to me. There was a dinner and a large meeting in the evening, attended by many of the agricultural and political leaders of the State. Mr. Ralph needled the cattlemen present several times for being "rugged individualists" and "free enterprisers."

Mr. Ralph claims that the only organized opposition to the bill is from the American Farm Bureau Federation and the American National Cattlemen's Association. He claims that the Farm Bureau is against it because it uses the commodity approach and as such violates a basic principle of the Farm Bureau—the claim that the Bureau should represent all of agriculture. Mr. Ralph holds that the opposition of the AFBF and ANCA could not stop this legislation, but that the undercover opposition by the retail grocery and packing industries might stop it.

Many sections of the bill such as the extension and amendment of Public Law 480, the extension of the Wool Act, and the revision of the agricultural credit program, etc., are receiving considerable support from most of agriculture.

Since many of the proposals in the bill are new, this association has no directions from the membership to follow. No formal action regarding this bill has been nor will be taken by this association at this time. The new administration's attitude is that now is the time for some far-reaching legislation to put agriculture on an even basis with other large industries in bargaining power and production control. With an inevitable continued decline in the agricultural population this is undoubtedly true.

The intent of my comments has not been to take sides either for or against this legislation. My personal feeling is that some is good and some is questionable. I suggest that each of you contact our congressional delegation and inform them of your feelings regarding this legislation.

Yours very truly,

HOWARD CLEGG.

The CHAIRMAN. Now if you care to read excerpts from it, you may do that.

Mr. CLEGG (reading):

"After considerable discussion and disagreement on the various parts of the farm bill, the question was asked regarding the attitude of the new administration toward the cuts of livestock usage on the national forests. Mr. Ralph answered that if the cattlemen insist on being free enterprisers that he would be in favor of removing all livestock from the public ranges. He further stated that he would welcome all of the beef

imports South America, New Zealand, and Australia care to send until the cattlemen get all of the free enterprise they want. He had previously explained that there was a difference between free enterprise and private enterprise and that it was private enterprise that this administration was interested in maintaining.

"The vindictive attitude of Mr. Ralph was a considerable shock to me, and there was a dinner and a large meeting in the evening attended by many of the agricultural and political leaders of the State. Mr. Ralph needled the cattlemen present several times for being rugged individualists and free enterprisers."

The CHAIRMAN. He did what several times? Mr. CLEGG. Needled.

The CHAIRMAN. His attitude was kind of needling them because they wanted to be independent and self-reliant, and free enterprise people?

Mr. CLEGG. Yes, sir. We were the only two cattlemen there, at the dinner they had, a dinner for leaders, and everybody was introduced, and he called their attention to the fact that we were free enterprisers at that time.

The CHAIRMAN. Singled you out?

Mr. CLEGG. Singled us out.

The CHAIRMAN. What other groups were introduced that he didn't call free enterprisers?

Mr. CLEGG. All of the other groups.

The CHAIRMAN. Name some of them.

Mr. CLEGG. The milk federation and the Farmers Union and the Farm Bureau.

Mr. MURPHY. There were members of various granges there.

The CHAIRMAN. He introduced the representatives of them without such reference to them?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. When he got to you two, he singled you out?

Mr. MURPHY. Yes, he did.

The CHAIRMAN. And he identified you as free enterprisers?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. He did it in a complimentary way, did he?

Mr. CLEGG. It wasn't interpreted as a compliment by the rest of the group.

The CHAIRMAN. It was not so interpreted, and it apparently was not intended to be so?

Mr. CLEGG. It wasn't intended; no, sir.

The CHAIRMAN. Did you feel any embarrassment by being thus singled out in that situation?

Mr. MURPHY. The word is "indigation."

The CHAIRMAN. You were not embarrassed as much as you were indignant?

Mr. MURPHY. That is right.

The CHAIRMAN. All right.

Senator MUNDT. Have you read all of the pertinent parts of the editorial now?

Mr. CLEGG. There are several other parts of it. I think this is all that is pertinent to the inquiry here. The rest of the article talks about the farm bill, but that was the only place.

Senator MUNDT. The whole editorial has been made a part of the record. You have a newspaper clipping. Was that involved in this?

Mr. MURPHY. The newspaper clipping is not a part of this editorial. The newspaper clipping in front of me is taken from the Deseret News, Salt Lake City, Thursday, June 29.

The CHAIRMAN. What does it refer to?

Mr. MURPHY. If you don't mind, I would like to read a very small portion of it to you.

The CHAIRMAN. The whole thing may be submitted for the record and you may read excerpts from it.

Will you submit it for the record?

(The editorial referred to is as follows:)

"[From the Deseret News, Salt Lake City, Utah, June 29, 1961]

"ARE FARMERS BEING THREATENED?

"A prompt and thorough investigation should be made into reports, which vary from rumors to outright charges, that Agricultural Department officials have threatened reprisals against farm groups that do not support the Kennedy-Freeman farm bill.

"In Utah, private reports have it that a high Agriculture Department official indicated to a cattleman's group that grazing rights on Federal land might be in jeopardy if stockmen fail to support the bill. If true, this is about the same as making a threat on a merchant's business license.

"Similar charges are being made elsewhere in the Nation, the New York Herald Tribune and the Chicago Daily Tribune have said the charges include:

"That cotton warehouse operators were warned that the Agriculture Department would ignore their request for higher cotton storage rates if they opposed the farm bill. However, the group went through with its plan to testify against it.

"That Agriculture Department personnel have been ordered to sell the program or resign.

"That the poultry industry was told its products would be removed from school lunch program menus if it did not support the legislation.

"The Chicago Tribune also quoted Charles B. Shuman, president of the American Farm Bureau Federation, as saying he has heard of reports of similar threats for several weeks.

"The sheer number of these charges, as well as their seriousness, amount to a lot of smoke that could indicate the presence of a fire. Certainly they warrant more than just routine denial that was forthcoming from the Department of Agriculture.

"These accusations are lent at least a degree of credence by the fact that the Kennedy-Freeman farm bill is encountering extremely tough sledding in Congress. The bill would authorize farmers themselves to draft and adopt a new series of crop-by-crop farm marketing control programs that, in the bill's original form, would have been subject only to congressional veto. In an attempt to make the measure more politically palatable, it has been revised to give Congress a bigger voice in formulation of such marketing programs. But the economics of the proposal are still hard to swallow.

"In any event, the facts should be investigated. There is a line where pressure that is justifiable leaves off and outright blackmail begins. Congressional investigators should determine whether that line has been crossed.

"If it has been crossed, or even if the rumors and accusations are allowed to persist unchallenged, then the Department of Agriculture's reputation and the morale of the agriculture industry are sure to suffer.

"If true, the alleged threats could represent vicious abuse of authority not in the American tradition of fairplay.

"If false, the charges are an unfair attack on the Agriculture Department and should be laid to rest once and for all.

"Whatever the case, the farm bill should be passed or defeated strictly on its merits. The objectivity that is needed for intelligent congressional discussion of the bill will be hard to obtain as long as the issue is obscured by threats or suspicions of threats."

Senator MUNDT. When was this? How long after it was this taken?

Mr. MURPHY. This was published in the Deseret News on June 29.

Mr. CLEGG. We didn't pick any issue of this and we were not anxious to be inter-

puted as making a political issue, and they called us every day and asked us to tell what happened and we never did, either one of us, and so that the information that they have did not come from us.

The CHAIRMAN. What did they publish?

Mr. CLEGG. A prompt and thorough investigation should be made into reports which vary from rumors to outright charges, that Agriculture Department officials have threatened reprisals against farm groups that do not support the Kennedy-Freeman farm bill. In Utah, private reports of it that a high Agriculture Department official indicated to a cattlemen's group, that grazing rights on Federal land might be in jeopardy if stockmen failed to support the bill. If true, this is about the same as making a threat on a merchant's business license; similar charges have been made elsewhere in the Nation.

Senator MUNDT. They got their information from some of the other people who attended the meeting, rather than from you?

Mr. MURPHY. This information, as near as I have been able to determine, has come back to the Deseret News directly from Washington.

The CHAIRMAN. You mean it probably came from news reporters?

Mr. MURPHY. Here in Washington, back to their news reporting service, by way of memos through their organization.

The CHAIRMAN. Were newsmen present at this meeting?

Mr. MURPHY. There were not.

The CHAIRMAN. No newsmen were present?

Mr. MURPHY. No, the secretary of the association should have been keeping notes, but this was an informal meeting.

The CHAIRMAN. The secretary of what association?

Mr. MURPHY. The Utah Cattlemen's Association.

The CHAIRMAN. He was keeping notes?

Mr. MURPHY. He should have been, but I didn't. We didn't take notes of any kind.

The CHAIRMAN. You didn't keep notes?

Mr. MURPHY. No, I did not.

The CHAIRMAN. How would newsmen here in Washington know something about it to report to this paper out there?

Mr. MURPHY. It is quite possible through the chain of events that followed the meeting that was held in Salt Lake City.

The CHAIRMAN. What chain of events?

Mr. MURPHY. The events that happened elsewhere in the country.

The CHAIRMAN. You mean some other comment about these things. I don't see how they could know what happened there, though, and report it if they were not there.

Mr. MURPHY. This is just a newspaperman's snooping around and finding out what is going on.

Mr. CLEGG. I think, actually, the comments to the paper must have come through the Farm Bureau, and we did talk to them that night. The Farm Bureau was at the same meeting that he singled us out and they asked us what was the trouble.

Senator MUNDT. This was not an off-the-record meeting and your fellows who were indignant very logically would have communicated to some of our associates as to what took place at the Ralph meeting, wouldn't you?

Mr. CLEGG. That is right.

Senator MUNDT. There was no security secrecy involved, and you certainly told someone what took place, and from them the newspapermen could very readily have picked up the information.

Mr. MURPHY. That is exactly correct.

The CHAIRMAN. I don't see how they would get it out in Washington.

Mr. MURPHY. That is where their memo came from, right through their top end of their newspaper business.

The CHAIRMAN. Here in Washington?

Mr. MURPHY. Apparently, that is as near as I have been able to check it out.

The CHAIRMAN. But they got it?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. They didn't get it directly from either of you?

Mr. MURPHY. No; and it was a difficult task to hold this off and keep out of the newspapers as long as we did.

The CHAIRMAN. Why did you want to keep it out?

Mr. MURPHY. We felt, as we said before, that it was rather a "hot potato" political issue at that time, and we did not care to involve our association as such in a political controversy since we represent the cattlemen of Utah who are of all political philosophies.

The CHAIRMAN. All right. Is there anything further?

Mr. O'DONNELL. I have one thing. I have here an affidavit which I would like to have each of you identify because it is submitted jointly and I would like to ask a question concerning it.

The CHAIRMAN. Is that your original affidavit that you submitted to the committee?

Mr. MURPHY. Yes, sir.

Mr. CLEGG. Yes, sir.

The CHAIRMAN. The affidavit will be printed in full in the record.

(The affidavit referred to is as follows:)

UTAH CATTLEMEN ASSOCIATION,
Salt Lake City, Utah, June 16, 1961.

Mr. DONALD O'DONNELL,
Chief Counsel, Senate Committee on Investigations, Senate Office Building, Washington, D.C.

Mr. O'DONNELL: The undersigned wish to submit the following information in connection with certain statements that were made to us during an informal discussion with Under Secretary of Agriculture James T. Ralph while he was visiting in Salt Lake City on May 17. We wish to point out that since this was an informal discussion, no notes or recording of the conversation are available. We have recalled, to the best of our ability, what, in our opinion, is the essence of Mr. Ralph's statement when asked a question regarding the new administration's attitude toward reduction of livestock usage of the grazing on the national forests.

Mr. Ralph answered that as the cattlemen insist on being free enterprisers that he would favor removal of all grazing privileges on the national land reserve and further would welcome all beef imports from South America, New Zealand, and Australia until the cattlemen get all the free enterprise they want.

It is a matter of record that the American National Cattlemen Association has diligently represented the cattle industry in hearings before congressional committees in an effort to follow the wishes of the industry to maintain their position of remaining free of Government control and regulation. This free enterprise stand of the cattle industry has long been a matter of pride with the industry. It was shocking to us to learn of the administration's apparent policy to take reprisals against any group that would take an opposing stand on the omnibus farm bill.

We believe this matter is a serious threat on our freedom to express our views. We bring it to your attention with the feeling that our opinion of what was said will be given your consideration.

HOWARD J. CLEGG,
President.

BOB MURPHY,
Secretary.

STATE OF UTAH
County of Salt Lake, ss:

Subscribed and sworn to before me this 16th day of June 1961.

JEANNETTE C. DAY,
Notary Public.

My commission expires March 19, 1961.

Mr. O'DONNELL. The second last paragraph of that affidavit, you state in the last sentence, that—

"It was shocking to us to learn of the administration's apparent policy to take reprisals against any group that would take an opposing stand on the omnibus farm bill."

Is that correct?

Mr. MURPHY. Yes.

Mr. O'DONNELL. Were these statements that were made by Ralph directed to you, insofar as testimony in connection with the farm bill was concerned?

Mr. MURPHY. If I may speak, I interpret Mr. Ralph's statements to us in front of the State ASC committee, this afternoon meeting, prior to the banquet, at which time we were called together to meet with Secretary Ralph and to discuss the administration's farm program, the principal topic of our discussion at that time was the various aspects of this bill as related to the livestock industry, specifically.

The CHAIRMAN. That was the whole purpose of the meeting, to discuss the bill, was it not?

Mr. MURPHY. That is right. Interpreting the remarks that were made at the meeting in the afternoon, together with the indignation that was caused by Mr. Ralph King's singling Howard and me out of a group of 180 or 200 people as free enterprisers, it was pretty obvious to Howard and me that this is an infringement on our basic rights to oppose legislation that we do not feel is of benefit to our people.

Mr. O'DONNELL. But the point I am making is that apart from reprisals of pressures that may have been brought by the Department of Agriculture, in connection with the farm legislation, was anything directed specifically to your attention, either one of you, as to testifying against the proposed farm legislation? Was any reprisal made in that vein?

Mr. CLEGG. I would say not. It wasn't directly made like you mentioned.

Mr. MURPHY. Not specifically, no. In general, I would say that the implications were there.

The CHAIRMAN. There is an implication if you folks opposed the bill these privileges would be taken away.

Mr. MURPHY. The tariff embargo on dressed meat coming into this country.

The CHAIRMAN. And you could have a lot of competition.

Mr. MURPHY. From imported beef and from the use of national land reserves, for grazing of beef animals.

The CHAIRMAN. That was the implication of it.

Mr. MURPHY. That is correct.

Senator MUNDT. You say in your affidavit: "We believe this matter is a serious threat on our freedom to express our views." You made that statement on June 16, 1961. Today, do you still hold to that position?

Mr. MURPHY. I am sorry. I don't understand your question.

Senator MUNDT. You said in your affidavit dated June 16, at the bottom, the last paragraph:

"We believe that this matter is a serious threat on our freedom to express our views." That was obviously your opinion at that time. Do you still hold to that opinion as of today?

Mr. MURPHY. I feel it is, personally.

Senator MUNDT. How about your companion?

Mr. CLEGG. Inasmuch as we have said that he didn't make a direct threat, I would have to probably back down on that a little bit, and say that I question whether that is a statement of policy at this time.

Senator MUNDT. Would you say that again. I don't quite understand you.

Mr. CLEGG. I would have to say that I don't consider that there was a serious threat to our freedom at this time.

Senator MUNDT. Did you consider it a serious threat at the time you heard the statement made?

Mr. CLEGG. I was irritated at that time, yes, and I did at the time we had the meeting and I was irritated, but I can't say that at this time that I hold any malice toward them.

Senator MUNDT. That is not holding malice, and I wondered whether you signed the affidavit on June 16.

Mr. CLEGG. Yes, sir; I signed it.

Senator MUNDT. And that reflected your feeling at that time?

Mr. CLEGG. Yes, sir.

Senator MUNDT. All right.

The CHAIRMAN. Is there anything further? Thank you, gentlemen.

Mr. MURPHY. I would like to express my thanks for our opportunity to express our views in this matter and I think it is of vital importance to our industry that we be heard and we appreciate it.

The CHAIRMAN. All this committee is interested in doing is finding out the truth if we can. We have had problems of people making statements and then saying that they were misunderstood and so forth. It is pretty hard to get possibly the whole facts. That is all we are trying to do. Obviously, some statements were made that got out into the press and got folks all exercised, and then when we try to trace them down and find out who is responsible, we have difficulty doing it. That is all we are trying to do, just to get this record and get the truth into the record.

Mr. MURPHY. We feel it was an unfortunate circumstance, and certainly it merits your consideration.

The CHAIRMAN. Thank you, gentlemen.

Mr. McCARTHY. Mr. President, the debate on the farm bill has raised many questions in evaluating them I believe we must keep in mind the record and the experience with farm programs over the past 30 years.

I wish to commend to the Members of the Senate an article by Dr. Gilbert C. Fite, research professor, university of Oklahoma, "American Farm Policy Since 1933."

This article is based on a lecture Dr. Fite gave last year at Concordia College, one of the excellent liberal arts colleges in Minnesota, and it appeared in the spring issue of *Discourse*, a quarterly review published at Concordia College under the editorship of Dr. Walter G. Prounitz.

Mr. President, I ask unanimous consent that the article by Dr. Fite be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A QUARTER-CENTURY OF POLITICAL AND ECONOMIC FRUSTRATION: AMERICAN FARM POLICY SINCE 1933

(By Gilbert C. Fite)

No domestic question has been so constantly before the American people during the last quarter century, as the farm problem. It has been impossible for any literate person to avoid this issue. The agricultural press, country weeklies, metropolitan dailies, and the national magazines, all have dealt in one way or another with this vital issue. Just to trace the literature and ideas devoted to the thorny farm question would take more volumes than Gibbon used to write "The History of the Decline and Fall of the Roman Empire." Certainly, there is no comparable domestic problem which has received

equal attention by scholars, statesmen and ordinary citizens, and yet which seems further from a satisfactory and acceptable solution after more than 25 years. Despite the plans tried and others proposed, one is reminded of the story of a foreign diplomat who came to the United States in the 1920's and was offered a drink of grape juice. He remarked: "It looks good. It tastes good, but does it accomplish anything?"

What we know today as the farm problem is really a multitude of related problems. Moreover, if it is any consolation, it should be emphasized that the questions involved are nearly as old as American history itself. Virginia and Maryland planters sought to cut tobacco output in the 17th century as a means of reducing production and raising prices. Despite their failure, the action of 17th-century tobacco growers makes it clear that farmers recognized surpluses as the heart of their problem.

Throughout the late 19th century, the relationship between the supply of farm commodities and prices received was clearly apparent. Contemporaries recognized that big crops usually meant low prices, and that smaller output often brought farmers more actual money than bountiful harvests. However, farmers themselves seldom admitted that they produced a surplus and argued that so long as millions of people throughout the world did not have enough to eat there could not be too much food. Most of the farm groups, including the Populists, declared that monopoly control and expansion of the currency would solve their main economic difficulties.

As agriculture became more highly commercialized, the question of price assumed commanding importance. It makes little difference whether wheat brings 30 cents or \$3 a bushel so long as a farmer makes his own flour. Whatever the price, it provides the same amount of food. But when a farmer sells his wheat and buys bread, machinery, and other commodities the relation of the price of wheat to the prices of nonfarm products is of utmost importance. Thus it is not surprising that attempts to cut surplus production were first made among the most highly commercialized farmers of 17th century America, namely the Tidewater tobacco planters. Moreover, it was the most highly specialized and commercialized farmers in the late 19th and early 20th century who made the loudest demands for government aid. Increased commercialization of all aspects of American agriculture, the thrusting of farmers more deeply into an exchange economy, has been at the heart of farm problems.

It was not until the 1920's that farmers began to demand Government intervention on a broad scale for the purpose of raising agricultural prices. Senator George Norris suggested in 1921 that the Federal Government loan money to needy nations abroad so they could buy American surpluses and stimulate farm markets. Many other schemes which involved Government action were also proposed, including outright price fixing. However, the most popular plan was advanced by the Illinois farm machine executive, George N. Peek. Peek's ideas of surplus control were incorporated in the twice-vetoed McNary-Haugen bill which was before Congress in various forms almost constantly between 1924 and 1928.

The protracted and bitter fight over the McNary-Haugen legislation was of utmost importance in developing broad Federal farm policy. The most significant contribution of Peek and his followers was planting and nurturing the idea of parity prices, a concept which has formed the basis of all price support legislation since 1933. The McNary-Haugenites impressed upon farmers the need for compulsory cooperation if they hoped to achieve parity prices. Thus by indoctrinating farmers with the idea of compulsory co-

operation and group action, the McNary-Haugen campaign helped to break down the traditional individualism of farmers and assisted in ushering in the era of collective action among agriculturists. Moreover, the Federal Government was viewed as having a fundamental responsibility to help agriculture gain a larger share of the national income. The farm fight of the 1920's also pointed up the surplus question which had been periodically considered by farmers during the preceding three centuries. This in turn aroused discussion of acreage restriction as a means of cutting surpluses and raising prices. Most farmers and their spokesmen opposed any forced acreage reduction in the 1920's, but many conservatives, including Herbert Hoover, advocated voluntary decreases in production. It was only a short step from voluntary to compulsory, or near-compulsory, acreage reduction which became a basic part of the AAA of 1933.

The Agricultural Marketing Act, passed in June 1929, was the first peacetime law in the history of the United States which placed any responsibility upon the Federal Government to help farmers deal with the problems of surpluses and low prices. Congress sought to place agriculture on a basis of economic equality with other industries, a principle taken from McNary-Haugenism. The law provided financial aid to cooperatives, plus permitting the establishment of Government-financed stabilization corporations as a means of maintaining prices in the face of unusual surpluses and market declines. The new law, administered by the Federal Farm Board, began operations at a most inopportune time. Under the impact of nationwide depression, farm prices bogged down and the Farm Board soon found itself in a losing struggle to maintain prices. By June 1931, the National Grain Corporation held 257 million bushels of wheat, and the cotton stabilization corporation owned a great deal of cotton. Throwing up its hands in despair, the board announced that it would make no further effort to place artificial props under farm prices.

Despite the sharp decline in prices, farmers continued to produce record crops. By 1932 wheat prices had dropped to as low as 20 cents a bushel at some interior markets and cotton to as little as 4 and 5 cents a pound. Other prices declined in similar proportion. The years 1930, 1931, and 1932 indicate that low prices do not discourage high production of farm commodities, despite all of the arguments to the contrary which have been advanced in the 1950's. As an aside, it might be pointed out that low prices may have exactly the opposite effect as they did in 1932 and 1933 before the restrictions of the Agricultural Adjustment Act were imposed. Farmer reasoning is fairly simple. If the price is lower it takes more units of a product to bring in the necessary income. Income is determined by units times price. Thus if prices are low pressure grows to raise more units in order to earn the same amount of money. When a farmer increases his output in face of lower prices, he intensifies the surplus problem and prices drop even lower. The whole picture is confused and contradictory because, while a decision to increase production may help an individual farmer, it may damage the welfare of agriculture as a whole. In other words, the welfare of farmers as a group and as individual producers is not identical. This is why it is important to obtain group action and adopt some means whereby all farmers, at least all of those producing a particular major crop, are brought together so they can make a collective decision. The McNary-Haugen bills were aimed at this problem, as was the AAA.

Under the pressure of depression prices, mounting farm debt and bankruptcy, and growing agrarian radicalism, there was widespread agreement by 1932 that extensive governmental intervention was necessary to

restore farm purchasing power and attain a degree of prosperity. Although most of the ideas finally incorporated in the AAA were well developed by 1932, no legislation could be achieved because of the deadlock between a Democratic Congress and President Herbert Hoover. However, when Franklin D. Roosevelt moved into the White House, he was committed to an extensive legislative program designed to help farmers.

When President Roosevelt signed the AAA on May 12, 1933, a 12-year campaign to obtain Federal farm relief had come to an end. The objectives of the AAA were not new, only the means of achieving them. The main purpose of the law was to "establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period." Except for tobacco, this period was 1909 to 1914.

The principal means of achieving this goal of parity prices were to reduce production of basic agricultural commodities through acreage restriction and to make benefit payments to cooperating producers. Provisions were also made for marketing agreements as a means of raising prices. Here was a great experimental measure in national planning placed under the direction of the Secretary of Agriculture. President Roosevelt, who was among the millions of Americans deeply imbued with the principles of agrarianism and agricultural fundamentalism, declared: "I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture."

The administration considered the AAA a vital part of its broad program of economic recovery. Supporters of the legislation considered it good strategy to attack the depression in the farm sector because of agriculture's importance to the economy as a whole. Moreover, the AAA program was based on an economy of scarcity which underlaid most of the early New Deal efforts to bring about recovery.

A number of Senators and Representatives supported the bill only because of the extremely critical situation in agriculture. Senator COTTON ED SMITH, of South Carolina, said he didn't like the bill, but would vote for it anyway. "There comes a time in the lives of men," he said, "when they must rise above principle." Republican JOSEPH MARTIN, of Massachusetts, complained of what he considered dictatorial powers in the bill and said: "We are on the way to Moscow." However, Democratic Representative SAMUEL PETTENGILL, of Indiana, told his colleagues in the House: "We cannot have a 'New Deal' from the President unless we give him the cards." Congress considered that the new farm law was an important card in the New Deal deck and passed the measure handily.

Secretary Wallace and AAA Administrator George N. Peek moved quickly to implement the law. By the end of 1933, 1,032,000 cottongrowers had signed contracts to reduce acreage and they plowed up 10,497,000 acres of growing cotton. Wheatgrowers signed contracts to cut their acreage in 1934 and 1935 in return for allotment benefit payments of around 28 cents a bushel. By September, Government checks were beginning to grace rural mailboxes, and by October 9 Secretary Wallace reported that the dispersing office had sent out 750,000 checks. Benefit payments to wheat raisers in 1933-34 amounted to \$98,600,000, and reached \$101,508,000 in 1934-35. This was about 26 percent of total cash income from wheat. There may have been a few southern farmers who said: "Sir, I cannot accept a U.S. grant" but under various rental and benefit payment plans, cottongrowers received \$169 million in 1933

and \$129 million in 1934. Producers of other basic commodities also received Government payments. In the late summer of 1933 a Russian visitor was being shown through a section of the AAA offices where around 1,500 people were employed. They were operating adding machines, checking farm contracts, and running checkwriting devices. As a Department employee explained what was going on, the Russian threw up his hands and exclaimed: "Good Lord! This is a revolution." And so it was.

Nothing like this had ever happened before in American history. As the Federal Government became enmeshed in the farm program, the spirit of Calvin Coolidge must have shaken the sod at Plymouth, Vt. At least it is known that Herbert Hoover was beginning to take pen in hand and explain how this was part of "The Challenge to Liberty."

What were the arguments to justify such extensive Federal action behalf of agriculture? What reasons were given for interference with free market prices as determined by supply and demand? Answers to these questions must be given before the rationalization behind Government intervention in the agricultural sector of the economy since 1933 can be understood.

In the first place, it was argued that farming was highly competitive while business and industry had greatly reduced competition by combining and cooperating. In other words, industrialists sought to gain a large measure of control over the price of their products through agreement and combination, and eliminated the downward pressures on prices which competition normally produced. For example, farm machine and motor vehicle prices dropped only between 6 and 16 percent between 1929 and 1933 while production was cut 80 percent. With no control over price or production, the prices of agricultural commodities declined 63 percent and production only 6 percent in the same period. As a result of this condition, it was argued that farmers were in a poor bargaining position with other segments of the economy. The farmer neither controlled the prices which he received for his products nor those which he paid for nonfarm goods. For example, when he sold wheat at the elevator he took prices set by someone else; when he went to buy a plow or wagon he paid a price fixed by the manufacturer. Many friends of the farmer argued in the 1920's and early 1930's that only if farmers were brought together in a great cooperative effort could they strengthen their overall bargaining position in the economy.

Moreover, it was claimed that farmers deserved Government help because so many other groups were feeding at the Federal trough. Tariffs helped manufacturers, the Government gave subsidies to shippers, the ICC permitted the railroads to charge high enough rates to bring them a fair return on investment, and newspapers and magazines were subsidized by cheap mailing rates. Since others in the economy obtained help from Washington, why should farmers be left out?

Government aid was also justified on the basis that the prosperity of farmers was basic to national welfare. Henry C. Wallace wrote in his book, "Our Debt and Duty to the Farmer" (1925) that "Our great superstructure of industry, transportation, and commerce was built upon the foundation of agriculture and can stand without injury only so long as the foundation is secure." This idea was repeated thousands of times in the 1920's and early 1930's. The stated purpose of the Agricultural Adjustment Act was to "relieve the existing national economic emergency by increasing agricultural purchasing power." Thus national self-interest alone, it was said, warranted Government aid in restoring agricultural prosperity. It was further argued that farmers represented a stabilizing political balance and

that undue hardship would force otherwise conservative farmers into the ranks of un-American radicals. Of course, the immediate desperate conditions among hundreds of thousands of farmers after 1930 was also cited to justify Government aid to agriculture.

For three seasons the first AAA struggled to get on top of the farm surplus situation. Wheat, cotton, and tobacco acreages were cut and hundreds of millions of dollars were paid directly to farmers from the U.S. Treasury. A corn-hog program was inaugurated in 1933 which reduced the production of both commodities. The AAA bought and slaughtered over 8 million hogs in an effort to bring supply into line with effective demand, and the killing of the poor little pigs remained an emotional political issue through a number of campaigns.

But surpluses continued and, while prices of most farm commodities rose, they were far from parity, the defined objective of the law. By January 1936 wheat prices were 83 percent of parity, corn 65 percent, and cotton 71 percent. Part of the difficulty in trying to achieve parity prices was the huge carry-overs of wheat and cotton from the period before 1933. Some 395 million bushels of wheat and 12.5 million bales of cotton were on hand when Roosevelt took office. Furthermore, exports were low because of the depression abroad, and partly because higher American domestic prices discouraged foreign purchases. Continued unemployment and business stagnation also provided a weak domestic market for farm products. Finally, farmers tended to take their poorest land out of production which meant that acreage restriction was less effective than anticipated, and productivity of land left in cultivation was increased by adding more fertilizer. Nonetheless, by early 1935 wheat was bringing 90 cents a bushel compared to about 35 cents in 1932. This price increase, however, was caused more by drought in the Great Plains than by any Government program. Cotton was supported at around 10 cents a pound; and hog prices reached \$8.35 a hundred compared to only \$3.50 3 years earlier. Total net farm income was \$4.6 million in 1935, of which \$600 million came directly from the Federal Government. In 1932 net farm income had been only \$1.9 billion. Farm problems were far from solved, but farmers in 1935 had their best year since 1929. Price increases and Government payments combined, much more than offset the losses resulting from acreage curtailment.

Despite considerable improvement in agriculture, as well as in other aspects of the economy, new and serious problems of both a political and economic nature caused farm planners sleepless nights. Political pressures were felt in the program almost from the beginning. For example, under the original law only seven commodities were included for benefit payments. However, as time passed, additional crops were added to the list of basics, not because they were basic to American agriculture, but because they were important politically. By 1935 eight commodities, including peanuts, grain sorghums, and potatoes, had been added to the list. The political pressure which caused these crops to be included in the production control program brought even greater involvement of Government in agriculture and departed from the original idea of including only a few crops whose price was largely determined by the export market.

Furthermore, political pressure was sometimes exerted to get the Department of Agriculture to set loan rates higher than was warranted by the economic facts of the situation. In 1934, for instance, cotton loans were made at 12 cents a pound. This might have been justified for the current crop, but a provision of the law made old cotton in the hands of producers eligible for a 12-cent loan, although the loan price the year before

had been only 10 cents. Farmers could make 2 cents a pound simply by re-storing their cotton for another year. The longer the program operated, the more of these problems arose.

Farm planners also found that production controls led to a demand for even greater restrictions. It became evident shortly after the AAA was inaugurated that noncooperators might expand their production and benefit from higher prices created by the Government program. If contract signers curtailed acreage to stimulate prices, those outside the program would receive benefits at no expense to themselves. Consequently, Congress heeded the pleas for universal controls on cotton and tobacco producers. The Bankhead Cotton Control Act and the Kerr-Smith Act were passed in 1934. These measures placed strict penalties on those farmers who produced above their quota. The administration disliked compulsory controls but it became a vital part of the program. Chester Davis, the AAA's second administrator, said that, "although it was an unwanted child, they learned to love it all the same."

Although by 1933 farmers felt that the old system of laissez faire in the production and marketing of farm commodities had become obsolete and inadequate, they accepted production control reluctantly and under protest. There was something repugnant to farmers in the idea of limiting output or destroying commodities such as occurred in the hog and cattle slaughter programs. The files of the Secretary of Agriculture are full of letters protesting acreage restriction and production control. One farmer wrote Wallace on May 17, 1933, that "you will have a hard task convincing the farmer that overproduction of farm produce is the cause of low prices while 8 million farm workers are idle." Another writer said it was against all laws of economics and religion, to cut down production forcibly. Several writers quoted Scripture and urged the AAA to hoard surpluses as Joseph had done in Egypt.

For a time in early 1936, it appeared as though the controversy over acreage restriction would become purely academic. On January 6, 1936, the Supreme Court declared the AAA unconstitutional because (1) the processing taxes were illegal, (2) the plan was in fact compulsory rather than voluntary, (3) and contracts to reduce production were outside the scope of Federal power. Farming was a local business and not subject to controls from Washington. The Supreme Court won the first battle, but lost the war as Congress moved quickly to patch up substitute legislation. After all, 1936 was a presidential year.

By February, Congress had passed the Soil Conservation and Domestic Allotment Act. Under this law, farmers who substituted soil-conserving crops for soil-depleting crops (the main cash crops considered in surplus) were eligible for Government payments. Thus objections of the Court were circumvented by ostensibly making conservation, a long recognized Government function, the law's major objective, rather than crop reduction. Under the new law, payments were not only made for diverting to soil-conserving crops like grass and legumes, but also for some 78 soil-building practices. This permitted farmers to earn payments who did not raise the so-called basic crops. Government help in soil conservation was based on the idea that conservation was a social good, but that it was too expensive for individual farmers to undertake. By 1938 the Federal Government was spending \$444 million annually on its conservation program.

Extremely large crops in 1937 demonstrated that the enticement offered by soil conservation diversion payments was by no means adequate to keep surpluses under control. The 1937 cotton crop amounted to 19 mil-

lion bales, the largest on record. Corn production reached 2,700 million bushels and wheat output jumped 40 percent. Consequently, cotton dropped to 8 cents a pound, wheat declined to 56 cents and corn to 48 cents a bushel, the lowest since 1932. In this emergency, the President somewhat reluctantly agreed to support sagging cotton prices through the Commodity Credit Corporation in return for a promise by Congress that a new farm program, including strict production controls, would be enacted at the next session.

The AAA of 1938 which, although much amended, is still our basic agricultural law, again sought to assist farmers "to obtain, insofar as practicable, parity prices * * * and parity income." The 1936 law had sought to achieve parity incomes for farmers, probably a sounder economic goal but one extremely hard to achieve. The chief beneficiaries of the new legislation were to be producers of wheat, cotton, corn, rice, and tobacco, the main cash crops in surplus. Acreage allotments were provided for, and in case supplies still got out of hand, marketing quotas could be imposed after two-thirds of the producers of a commodity voted favorably. Moreover, the soil conservation features of the 1936 law were continued, and Henry Wallace's ever-normal granary plan was put into operation. This scheme simply provided loans to farmers, permitting them to store their crops in order to keep large surpluses from depressing market prices. The law also authorized direct payments, so-called parity payments to raisers of basic commodities when prices fell below parity. However, these payments were only to bring returns up to 75 percent of parity in 1939 and 1940. Ultimately some \$2 billion was distributed in parity payments.

The 1938 law went much further than the original AAA in extending governmental control over agricultural production and prices. Yet, when all of these methods were used huge surpluses and relatively low prices continued. In 1938, for example, the Government loan program brought 4.5 million bales of cotton into Government storage. To intensify the cotton problem there was nearly a 14-million-bale carryover from previous years which hung like a sword of Damocles over prices. In 1939 the Government resorted to subsidies to move cotton into export markets, and in the spring of 1940, nearly 8 months after the outbreak of war in Europe, the U.S. Government held some 10.5 million bales of cotton.

The picture for wheat was no better. Although export subsidies were contrary to the New Deal reciprocal trade agreements program, President Roosevelt and Secretary Wallace turned to this method of stimulating wheat exports as well as those of cotton. The Federal Government had 278 million bushels under loan. The surplus situation had become so critical that marketing quotas were inaugurated to curb excess production for wheat, cotton, tobacco, and peanuts.

Despite extensive Government activity, parity prices for most basic commodities had not been achieved by 1940. Cotton was selling at only 77 percent of parity and food grains at 84 percent. Surpluses continued to accumulate and were not removed until 1941 and 1942. In other words, the increased demands for farm commodities created by World War II saved a farm program which was wallowing in surpluses and low prices after 6 or 7 years of Government efforts to bring supply into line with effective demand.

World War II was an important milestone in the development of current farm policy. In the first place, it gave farmers a real taste of prosperity which they subsequently have been reluctant to give up. Moreover, it was during World War II that the high, fixed parity rate not only became widely accepted but fully expected. This had not been true in the 1930's, despite inclusion of the prin-

ciple in the agricultural adjustment legislation. In the 1930's parity was more of something to shoot at rather than an objective which Government would help farmers to achieve at once.

Under the influence of defense and wartime demands, farm prices shot upward until by September 1941, agricultural prices reached 101 percent of parity. However, once farmers had tasted this degree of prosperity, the pressure on Washington was to permit even greater price increases. When inflation and rising prices began to assume a real threat to the war effort, President Roosevelt called for price controls. The Emergency Price Control Act of January 30, 1942, was the first big step taken to curb prices during World War II. But farmers were strong enough politically to keep all they had gained and achieve even more. The law provided that no ceiling should be established on farm prices at less than 110 percent of parity. This was a clear victory for agricultural spokesmen in Washington.

As food prices increased throughout 1942, there were greater demands to hold the line on prices. In October, Congress passed the Stabilization Act but even this legislation left farmers in a highly favorable position. No price ceilings could be applied to farm commodities at less than parity, or the highest price paid between January 1 and September 15, 1942. Prices of some agricultural commodities were much above parity and continued to remain high. Section 8 of the Stabilization Act of 1942 was very important because it provided for postwar agricultural supports. Fearful that they might be left holding the bag as they had been after World War I, farm leaders got a commitment that loans would be made at 90 percent of parity for 2 years after the war on cotton, corn, rice, wheat, tobacco, and peanuts. This meant that prices would be supported at 90 percent of parity through 1948.

The wartime legislation went a long way to establish the rigid parity formula which many farmers and their supporters have been demanding since 1948. The problems which this legislation might help to create in the future were given little consideration during the prosperous war years. Production was high, prices and incomes were good, and, on the whole, things had never been so favorable for farmers. Per capita farm income rose 220 percent between 1939 and 1945. As price controls were lifted in 1946 and demand both at home and abroad increased sharply, farmers were exceedingly prosperous. In 1948 net farm incomes reached more than \$20 billion, the highest point in history.

Congress took a new look at its farm program in the presidential campaign year of 1948. As finally passed in July, the 1948 law looked toward abandoning the high, fixed supports which had become customary during the war and immediate postwar years.

The idea of flexible supports provided that the price of basic commodities would be supported at between 60 and 90 percent of parity, depending upon supply. For example, if supply was as much as 130 percent of normal for a commodity, supports would be limited to 60 percent of parity. In other words, farmers were to be encouraged to cut excessive output by the threat of lower support prices. Although the principle of flexible supports were inaugurated, political pressures, particularly from cotton and tobacco representatives, postponed the effective date until January 1, 1950. Meanwhile, 90 percent of parity prices were to prevail on basic commodities.

In 1949 Congress again postponed inaugurating flexible supports and extended 90 percent of parity prices through the 1950 crop year. It seemed practically impossible to get enough backing in Congress to abandon the wartime legacy of high, fixed support prices. The pressure to change or greatly modify

current policies was mitigated considerably by the continued heavy demand for farm products occasioned by overseas shipments and the Korean war. The Government, even under high price supports, was not acquiring excessive amounts of surplus farm commodities. In fact, between October 17, 1933, and December 31, 1952, the Commodity Credit Corporation losses amounted to only \$1,064 million.

Nonetheless, there was a growing demand, even among some farm groups, to abandon high rigid supports and adopt the flexible scale which had been talked about since 1948. The chief advocate of this policy was President Eisenhower's Secretary of Agriculture, Ezra Taft Benson. Benson and his supporters argued that lower supports would discourage production and help to cut unmanageable and costly surpluses. This policy was based on the erroneous belief that lower prices would cause farmers to reduce their output. Thus in 1954, the Republican Congress, with strong backing of the American Farm Bureau Federation, passed a flexible price support law.

However, surpluses increased, agricultural prices declined, and farm income dropped. The situation became so serious that in 1956 Democrats attempted to restore the 90 percent of parity program abandoned in 1954. However, Eisenhower vetoed this bill and Congress was forced to go along in an election year and enact the soil bank measure which made liberal payments to farmers who would withdraw land from production. Under his discretionary power, Secretary Benson continued to lower price supports and loosen production controls, and surpluses, especially in corn and wheat, built up to record levels, and CCC losses mounted to unprecedented heights. By June 1960, the Federal Government had \$8,525,237,000 invested in price support operations, or an increase of about \$7 billion in 7 years. More than half of the total amount, or \$5.8 billion, was invested in wheat and corn.

As a result of this situation, a hue and cry has arisen to abolish the entire farm program. A book by William H. Peterson on "The Great Farm Problem" (1959) argued that all major farm troubles stemmed from governmental intervention, and he insisted the mess could not be corrected until the Federal Government got completely out of the agricultural picture. Late in 1959, *Life* magazine carried a series of articles centering around the theme that the Government should abandon its controls. Reliance on the free market, said the writer, was the solution to the agricultural problem which had sprouted into a national scandal. In the midst of widespread controversy Representative PERKINS BASS of New Hampshire, argued in 1958 that the farm support program had been an expensive failure. He said that "most Americans would be astonished and deeply shocked at what it costs them to carry on this price support program." Politicians, farm organization leaders, farmers themselves, and even professional economists were badly divided. To modify an old saw slightly, it might be said that if all farm advisers were laid end to end they would not reach a conclusion. What, then, is the answer?

In the first place, a most elementary but extremely important observation should be made. Actually, there is no completely satisfactory solution to the farm problem, which, as was emphasized earlier, is really a multitude of problems. Although former President Eisenhower declared that "no cure can be brought about rapidly," most political leaders have been either too fearful or ignorant to admit this situation. This fact undoubtedly accounts for the reason why so many people have become angry, frustrated, and bewildered. Twenty-five years ago it was assumed that most farm problems would vanish when prosperity was

restored. People said in the 1930's that if the United States achieved full employment and high consumer purchasing power, the agricultural surplus problem would soon take care of itself.

But these predictions did not take into account the tremendous increase in agricultural productivity after World War II. Using 1947-49 as 100, the index of production per acre rose from 97 to 123 between 1950 and 1960, and from 112 to 189 on the basis of productivity per man hour. Consequently, even a prosperous domestic economy and abnormally heavy sales abroad could not absorb all that American farmers could produce at profitable prices, and problems and maladjustments continued. Many Americans then began looking for a devil on which they could blame the situation. The devil found by Peterson, the writers for *Life*, and many others was the Government agricultural programs. These critics invariably argue backwards. They say huge wheat, cotton and other surpluses exist because of Federal intervention. This, of course, is not true. The Government farm programs were inaugurated to solve a surplus problem which already existed. Forgetting completely what had happened to farmers prior to 1933 when prices were determined by the free market place, and what would happen again to farm prices if the Government programs were abandoned, these critics would throw out the baby with the bath water. This is rather characteristic of the American temperament. Americans not only like, but demand, absolute, and definite answers to their problems. They chafe under half-answers or partial solutions. When final and satisfactory answers are not forthcoming, they tend to become disillusioned, frustrated, and impatient. This condition could be illustrated in the field of foreign policy as well as with the subject under discussion.

While it seems as though there is no completely satisfactory answer to the farm question, there are several things, none of which are essentially new, which would gradually make the agricultural program less expensive and at the same time be of continued help to farmers.

In the first place, Congress should inaugurate genuinely effective acreage and allotment controls in the major surplus crops until the worst surpluses are reduced. Because of political pressures, Congress and the Department of Agriculture have never tried to enforce allotments which would materially cut the surpluses of cotton, corn, and wheat. Strict cross-compliance should be enforced. That is, farmers should not be permitted to plant idled acres to crops which will produce surpluses in other commodities. For example, idle corn acreage should not be planted to soybeans or sorghums. The soil bank or feed grain program could be extended to help with this adjustment, and changes within these programs might well be worked out to provide greater benefits to smaller farmers.

Also benefits should be greater for actual farmers than for absentee landlords. In the past many nonfarm people have bought farms primarily for the privilege of leasing the land to the Federal Government under one of the agricultural programs. This has been tightened up somewhat, but many abuses resulted under the original administration of the soil bank law. Moreover, reclamation of arid lands for agricultural purposes should be stopped. The cotton surplus problem would be much less serious today if California, Arizona, and New Mexico had not greatly expanded their acreage and production, mostly since 1940. In 1939 those three Western States produced 741,000 bales of cotton compared to 2,536,000 in 1957. Only politics can explain a program for expanding allotments in those States when the Nation already had too much cotton. To do some of the things suggested here would

mean taking the farm program out of partisan politics. This may be impossible, but it should be honestly tried.

But, you ask, if farm prices are kept up by effectively curtailing production, when will consumers get cheaper food? The answer is that Americans probably will not get cheaper food, price supports or no price supports. Food is more expensive because of the growing costs between the farmer and the consumer. In July 1961, the farmer got about 39 percent of the consumers' food dollar, compared to 47 percent in 1936. During 1959 most food prices advanced while farm prices generally declined. Retail pork prices are a good example of the situation. Hog prices dropped from about \$20 a hundred to around \$12, a decline of about 40 percent, but pork at the butcher shop dropped only slightly.

Secondly, the American people should eat up more of the perishable surplus like meat, milk, cheese, butter, and fruits. The wheat surplus cannot be even denied by eating more bread, but this is not true of fruits, vegetables, dairy products, and meat. For these products, the Brannan approach should be tried. Let prices fall to their market level, a condition which would encourage greater consumption; then make direct compensatory payments to farmers. This would provide more and better food to the 7 million low-income families and besides save the cost of storing surplus butter, cheese, and similar products. Net losses by the CCC on dairy products from 1933 up to June 30, 1959, totaled \$1,760 million far more than for any other commodity. If this surplus food is properly distributed there need be no social loss at all. Moreover, overseas exports of food and fiber should be continued and expanded under Public Law 480. In other words, production of certain crops must be curtailed against price-ruinous surpluses and at the same time consumption must be expanded as much as possible. These objectives are not incompatible. In other words, Congress and the U.S. Department of Agriculture must keep chipping away at the farm problem, not with the idea of achieving a completely satisfactory solution but with the objective of rewarding efficient farmers amply for producing abundant food supplies.

The long-range situation is perhaps more encouraging. With a rapidly growing population, more food will be needed. Furthermore, it is not likely that farm production will rise as fast in the next 15 or 20 years as it did between the beginning of World War II and 1955 when total agricultural output increased 35 percent with no expansion in acreage. At the same time, a great deal of land is being taken out of production. About 1 million acres are being absorbed annually in urban expansion, highway building, and other nonfarm uses. Therefore, it is logical to assume that the ever-increasing burden of surpluses will begin to taper off before too long. In fact, it already appears as though the situations in cotton and dairy products are improving. Meanwhile national policies must be followed which will give agriculture, a vital part of the whole economy, fair treatment. Lawmakers and the general citizenry should not become panicked by charges that price-support programs have become unbearable. Total losses of the Commodity Credit Corporation for price-support operations up to June 30, 1960, amounted to \$8.5 billion. The U.S. Government spent about \$814 billion between 1946-59. In other words, price-support operations have cost approximately 1 percent of the Federal expenditures in that period. To throw out the farm program without substituting anything constructive for it is to admit that a free people cannot solve their economic problems. This is an indictment of representative government which intelligent Americans must refuse to accept.

day, for example, by Senator **BOURKE B. HICKENLOOPER** in his capacity as chairman of the Senate Republican policy committee, that the administration is "flying under false colors" by plugging its proposal as a "medical care plan." Terminology presents a tricky problem in this controversy, as this newspaper learned to its sorrow the other day when it fell into one of the terminological pitfalls.

We think there is no justice at all, however, in the attack on the King-Anderson bill made by the AMA on Monday night. The AMA condemns the bill for not providing enough medical and hospital care when in fact the AMA wants it to provide none at all. There is nothing to support the AMA argument that this proposal "will lower the quality and availability of hospital services throughout our country. It will stand between the patient and his doctor. And it will serve as the forerunner of a different system of medicine for all Americans."

The President was careful to say on Sunday that "this bill does not solve everything." Indeed it does not. It covers most people but not all people over 65. It is based on a system of prepayment through taxation during working years for benefits to be received as a matter of right in old age but it is not strictly speaking an insurance program. It provides among its benefits hospital care up to 90 days with a requirement that the patient pay for the first 9 days at \$10 a day, nursing home services up to 180 days and home health services up to 240 visits a year; it includes in the hospital care X-ray and laboratory tests and the services rendered in the hospital by interns, residents, pathologists, radiologists, anesthesiologists and physical medicine specialists but it does not cover ordinary charges by private physicians and surgeons.

What shall we call this limited, inadequate, cautious approach to one of the critical problems of old age? It is a far cry from complete protection against the hazards and expenses of illness. It is a far, far cry from "socialized medicine," that perennial bugaboo of the AMA. The best that can be said about it is what the President has said—"it will begin."

[From the New York Times, May 23, 1962]

THE CASE AGAINST MEDICARE

Curious contradictions mark the arguments the American Medical Association and the Republican congressional leadership have put forward against the administration's program of medical care for the aged through social security. The White House bill is criticized for covering too many elderly persons and for covering too few. The part of total health bills it will pay is derided as inconsequential; its potential costs are called too heavy to be borne.

The one charge that emerges with clarity is the common belief of its foes that the program is intended to open the door to socialized medicine. If this is the real objection, it would apply with greater force if the plan covered physicians' fees, instead of being limited as it is to payments for hospitals and nursing homes.

Fifteen million of the country's 18 million aged would be eligible for benefits if the King-Anderson program became operative at the start of 1964. Its payroll tax system of financing would not interfere with continued care of the indigent under the present Kerr-Mills law. The inadequacy of that measure as a total answer is demonstrated by the fact that it provided benefits for only 86,000 persons—three-quarters of them in four States—in March, a year and a half after it went into effect.

We see no more reason to believe that the application of social security principles to the health needs of the aged will prove a hoax than the basic Social Security Act did

when the same term was applied to it by the opposition in 1936. An option for cash benefits to those who preferred private health insurance coverage might have merit, if this could be done without leaving all the poor risks in the Government fund and thus upsetting its cost estimates. Governor Rockefeller has proposed such an option, but his plan is an orphan so far as the Republican members of the House Ways and Means Committee are concerned. They appear split between the Kerr-Mills law, with its means test, and the much worse Bow bill, a lineal descendant of the something-for-nothing Townsend plan of 30 years ago. The King-Anderson bill is preferable to either.

Mr. **MORTON**. Mr. President, will the Senator yield?

Mr. **HUMPHREY**. I yield.

Mr. **MORTON**. I am pleased that the Senator is making this statement. It is an important point to get across, namely, that the bill does not cover doctor's fees.

Mr. **HUMPHREY**. That is correct.

Mr. **MORTON**. The Senator has put in the RECORD as a part of his remarks an editorial published in the Washington Post.

Mr. **HUMPHREY**. Yes.

Mr. **MORTON**. About 2 weeks ago the Washington Post published an editorial entitled "Pay Doctor's Fees." It was editorial support for the proposed legislation. If the editors of the Washington Post are so confused that they think the bill would pay the doctor's bills, then indeed the people must be confused. The Senator has done a great service in pointing out that it does not provide for paying doctor's bills. I appreciate very much the comments of the Senator.

Mr. **HUMPHREY**. I may say that the Senator from Minnesota has been pointing this out for 13 years.

Mr. **MORTON**. The editors of the Washington Post did not catch it until 2 days ago.

Mr. **HUMPHREY**. Not only did the editors of the Washington Post not catch it, but a great many other people did not want to catch it either. If a person is going to oppose a proposal, he should at least know what is in it. That does not mean that one needs to understand it fully; but he ought at least to be able to relate it or articulate it. What the senior Senator from Minnesota has said in meeting after meeting, speech after speech, radio broadcast after radio broadcast, and bill after bill, is that the proposed program is a hospital and nursing home care program. It is what we call a home services program. It offers diagnostic service.

It does not provide for the payment of doctors' bills—and that, according to the opposition, is one of its limitations. It does not provide for full payment; it provides for partial payment of even hospital costs. For the first nine days, the patient must pay \$10 a day. Likewise, for diagnostic studies, the first payment of \$20 must be paid by the patient. There are other payments involved which are required to be paid by the patients. These are some of the limitations of the bill. However, I think they were included in the bill to make certain that there would be no abuse of the system, and also because it is our

view in this country that people ought at least to make a determined effort to pay their way.

This is not a charity program; it is a program of insurance, exactly like any other program of insurance. It is similar to a provision in an automobile insurance policy which we call the \$50 deductible provision. The person pays the first \$50 himself; then, if he is covered by the policy, his insurance company will make good the amount above \$50.

The health insurance program is, in a sense, a kind of deductible program. If those who are critics of the program wish to make a valid criticism, this is one place where the criticism might rest.

Mr. **MORTON**. The Senator from Minnesota has made a good contribution to the discussion of the subject, which will be hotly debated. I appreciate his saying what he has said. I hope his remarks will receive wide publicity.

Mr. **HUMPHREY**. I thank the Senator from Kentucky.

Mr. **GORE**. Mr. President, will the Senator from Minnesota yield?

Mr. **HUMPHREY**. Yes, I am happy to yield to my good friend from Tennessee.

Mr. **GORE**. What limitations are there in the Kerr-Mills law, if it is fully implemented by the State legislatures?

Mr. **HUMPHREY**. Only the limitations of eternity and outer space.

Mr. **GORE**. Can the Senator from Minnesota name a single ailment, predicament, malady, injury, or person who would not be eligible under the Kerr-Mills law?

Mr. **HUMPHREY**. I think the Senator from Tennessee has covered the field completely. The Senator is correct. Under the legislation passed 2 or 3 years ago—3 years ago, I believe it was—which is now so fully supported by the opponents of the President's hospital and nursing home care program, a person has available to him a wide open ticket. It covers any and all things from chilblains to cancer; from an ingrown toenail to a brain concussion; and from an aching back to an aching stomach.

Mr. **GORE**. Does not the Kerr-Mills law provide that doctors' bills will be paid by the Government?

Mr. **HUMPHREY**. It certainly does. Yet those who are opposed to the social security approach, under which the individual would pay his bill through a social insurance system, the opponents of the King-Anderson bill, holler "socialized medicine"; yet they are the same ones who support the other proposal, known as the Kerr-Mills Act, which provides for a system of "Come and get it," which is a complete Government payment.

Mr. **GORE**. I believe the Senator, from his family experience, knows that babies sometimes get their days and nights mixed up; they cry all night and sleep all day.

Mr. **HUMPHREY**. Yes; I can recall that. It has not been so long since we had a youngster of that age around the house.

Mr. McCARTHY. Even in the change to daylight saving time, children become upset.

Mr. HUMPHREY. Yes.

Mr. GORE. To hear this subject debated by mature men and women, one would think that day has become night, and night has become day.

Mr. HUMPHREY. There are none so blind as those who do not wish to see.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McCARTHY. I commend the Senator for stating the case so clearly again; but I could not compliment him for having done so for the first time, because he has been trying to make the situation clear for many years.

Mr. HUMPHREY. I have.

Mr. McCARTHY. Some Senators who are opposed to the bill feel that it is a kind of revolution; yet it is what we have been talking about for 4 years.

Mr. HUMPHREY. The Senator is entirely correct. Every once in a while someone comes forth and says, "I am pleased to hear someone explain what is in the bill." Of course, there is no rule against the opposition reading the bill; it is not even wrong to try to understand it.

Mr. McCARTHY. The opponents of the King-Anderson bill say, "Now you admit that the potential of the Kerr-Mills law is great." We always did admit the potential; it was the actuality we were concerned about, was it not?

Mr. HUMPHREY. The Senator is correct. I can recall statements made in the debates on the Kerr-Mills bill that the cost of its operation could run into astronomical figures. In fact, even with limited participation for the coming year, I believe the budget request for fiscal 1963 is more than \$400 million.

Mr. McCARTHY. That is correct. Now the opponents of the King-Anderson bill say that that bill is a cruel hoax because it is not proposed to pay doctors.

Mr. HUMPHREY. The Senator means that the opponents of the King-Anderson bill characterize it as a cruel hoax.

Mr. McCARTHY. Yes. We knew all the time that it was not proposed to pay the doctors. We knew it was proposed to try to do some good.

Mr. HUMPHREY. When the first misrepresentations were made about the King-Anderson bill there were those who said, "Aha. You are trying to impose socialized medicine and put all the doctors under Government domination and direction." Yet the proponents of the bill spelled out in capital letters, neon lights, and phosphorescent tape that doctors were not included; that no physician's costs were to be paid; that the physician and patient were to be separate and intimate in their relationships; a freedom of choice of doctor and a freedom of choice of patient on the part of the doctor.

After we have pointed that out, the same people who at first accused us of including doctors now say "It is a cruel hoax, because you are not including physicians' costs."

Mr. McCARTHY. The opponents say, "There are 2,500,000 persons who will not be covered." Well, we knew that all the time. The question is whether to try to take care of 2,500,000 by some other means and take care of some 16 million by this program. But it is said that because it is not proposed to do anything for 2,500,000, nothing should be done about the other 13 million or 14 million. Does that seem like a reasonable proposition?

Mr. HUMPHREY. Of course not. It is not a reasonable proposition. It is exactly like saying, "If you cannot get 100 percent coverage on all automobile accidents, you should not have any coverage."

Mr. McCARTHY. What would be the status of social security today if this argument had been heard when social security was first presented?

Mr. HUMPHREY. It would have the status which the opponents of the King-Anderson bill want now for that measure, because they had the same attitude at the time when social security was first considered. They make the same argument now in opposition to the King-Anderson bill.

Mr. McCARTHY. They say it does not cover everybody.

Mr. HUMPHREY. The same people who said social security did not cover everybody said that by not covering everybody, it would ruin morale.

Mr. McCARTHY. Those who were in opposition to another bill some years ago said that it was all right for a starter, but it went too far.

Mr. HUMPHREY. The Senator is so correct.

I am pleased that we have had a chance to exchange views on so important a piece of proposed legislation as the hospital and nursing home care program for the aged under the program of social security, because the subject continues to be one of the more important issues before Congress and before the public.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. Mr. President, the bill pending before the Senate is the Agricultural Act of 1962, S. 3225, a bill reported to the Senate by the Committee on Agriculture and Forestry. It is a bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricul-

tural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The bill was reported to the Senate on April 27, 1962. It was introduced by the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER].

It should be noted that the bill was discussed at length in committee. It surely has had long, generous, and full debate, discussion, and consideration by those who have the responsibility for conducting the hearings and taking the testimony, namely, the members of the Committee on Agriculture and Forestry.

Mr. President, from 1953 to 1961 I served on the Committee on Agriculture and Forestry; and that service gave me some understanding of the legislative problems relating to agricultural policy. I hope it also gave me some understanding of the problems of agricultural production, distribution, marketing, and prices—the prices farmers receive for what they produce, as compared with the prices farmers pay for what they must buy. During those 8 years of service on the Committee on Agriculture and Forestry, I attempted to fulfill with care and with diligence my responsibilities as a member of the committee.

Today, I wish to discuss, in rather broad, general terms, agricultural legislation as developed by the Congress, past agricultural policy, and what we project for the future.

Mr. President, back in the 17th century, planters in Virginia and Maryland got together to discuss their tobacco acreages, with the aim of increasing the price by decreasing the production.

Whether they contemplated having this idea incorporated in legislation to be passed by Parliament and approved by the Crown, history does not say. My point is that as long as 300 years ago, American farmers realized that too much in terms of production was reflected in too little in terms of price.

The supply-price formula discussed by the 17th century Virginia and Maryland tobacco farmers was put into feed grains terms by a later farm leader in the Midwest, who advised producers at that time to "raise less corn and more Hell."

From the very beginning of our society, there has been a clear relationship between the supplies of agricultural commodities produced and the prices paid to farmers for them. And at the heart of all demands for cooperative farmer action, or cooperative farmer-Government action, has been supply management, in terms of increased consumption, decreased production, or a combination of the two.

Forty years ago the late beloved and distinguished George Norris suggested to the Senate that loans be made from the U.S. Treasury to needy nations abroad, so they could buy American food surpluses. As he was in so many fields, Senator Norris was first in advancing the philosophy of what we now call Public Law 480, the food-for-peace program.

Also in the 1920's, George Peek, one of the great agricultural leaders of that period, advanced theories for agricultural surplus control that saw life in the twice-vetoed McNary-Haugen bill.

My first interest in agricultural legislation, when I was a very young man, was related to the debates in Congress on the McNary-Haugen bill. My father, who was a merchant in the Midwest, and was in very great measure dependent upon agricultural income for his business income, was keenly interested in the provisions of the McNary-Haugen bill, and was a strong supporter of that measure in that day. I believe we are very much indebted to those discussions for enlightening the American people on the subject of agricultural policy as between the Government and the private farm producers. Even those who opposed the compulsory aspects of that legislation, including President Hoover, still called upon the farmers to reduce their output of food and fiber, as a means of increasing the income of the farm producers.

The first law passed in peacetime to bring the Federal Government into the high supply, low-price farm picture was the Agricultural Marketing Act of 1929, administered by a Federal Farm Board. Two years later, this Board gave up in despair, buried under an avalanche of abundance. Senators will recall, as they read the history of that period—and some may recall it from personal experience—that the Federal Farm Board was like a huge national agricultural sponge. It sought to sop up or dry up all the extra production of the American agricultural plant. In other words, it sought to bring about a better market price by purchasing supplies from the agricultural producers—but with no controls or marketing regulations applying to producers. We then learned a lesson, or we should have learned a lesson; namely, that it is impossible to buy as rapidly as producers can produce, and that such a program lends itself to the abuse of everyone and everything—abuse of the land, which is overused and overtaxed, in terms of the production of crops; abuse of the farmers, because their crops produce less and less real income; and surely abuse of the Federal Treasury, which is only another way of saying it was an abuse of the taxpayers, because there was no end to the cost of the program.

The next major legislative step came in May of 1933, when the Congress passed the Agricultural Adjustment Act. That Act related to some means of regulation or management of supply, and not merely the stabilization or underpinning of price.

Through the years since 1933, a number of Congresses have been passing and a number of Presidents have been signing legislation which had its roots in the discussion among the Maryland and Virginia tobacco planters of the 17th century.

The fact that through 3 centuries attention has been regularly focused on ways to manage the products of good farmers tilling good earth—on ways to enable producers and consumers to live prosperously together—emphasizes the

importance of farmers and food to each generation.

The fact that through 3 centuries, despite economic and social and natural hazards, farm families have never lost sight of their obligation to produce abundantly, and have removed from our land the specter of hunger that haunted all the previous history of man, is a vivid tribute to their concern, their compassion, their high sense of responsibility, and their ability as producers and entrepreneurs.

Every American has the right to ask: "Why should I do anything for the farmer?" Yet in all fairness he must add another question: "What has the farmer done for me?"

We have always had some sort of farm problem. We have always tried to solve it. And while the record is filled with failures and frustrations, it is also marked by progress and remarkable successes.

In the Congress and out, hope is regularly expressed for a formula that will solve the farm food problem for all time.

Such a hope implies that the McGuffey Reader solved for all time the problem of education; that the First World War solved for all time the problem of war and peace; that the Wagner Act solved for all time the problem of labor relationships; and that the first antitrust legislation solved for all time the problem of business and industry relationships. However, the fact is that there are no permanent solutions. The world is changing, and the economy is changing. Therefore, it is the duty, and also the opportunity, of the Congress to examine and to reexamine, on a periodic and systematic basis, the agricultural policy. We must seek to relate this agricultural policy to the economic and social realities of the day in which we live and the years that we can see ahead.

We cannot go from here to eternity with a single formula for food and agriculture or for any other facet of the general welfare. We can only concentrate on the situation which exists here and now, with the hope our actions will create a sound foundation from which succeeding generations of Americans can effectively meet change with change.

The situation here and now is this:

Agriculture is moving again. During the past year Americans continued to buy more of a wider variety of quality foods at less cost in hours of work than any other peoples in the world, while at the same time returns to farmers for making this achievement possible went up—by a billion dollars. This brought about an impressive, and greatly needed, revival of the entire rural economy and was reflected in the factories and plants and wholesale houses of metropolitan areas.

Mr. President, what I have just stated is a fact for 1961 and into early 1962. The 1961 emergency feed grains program and the 1962 wheat program are responsible programs. Indeed, even though admittedly expedients, they were clearly better for farmers and for the taxpayers than the programs in effect prior to 1961, which increased grain

carryovers and budget expenditures year after year. But I remind my colleagues that emergency programs are costly compared with longer range programs such as those proposed by the President in his message of this year.

Improvement in the farm programs cannot stop with gains made in the first few months of this administration. Costs of price supports can and must be cut, not just in comparison with pre-1961 programs.

Today these two key amendments to S. 3225 are needed, as they have been offered by the distinguished chairman of the committee [Mr. ELLENDER]. First, the extension of the 1962 feed grains program now in the bill should be replaced by the mandatory program as presented by the Senator from Louisiana in his amendment, upon which we shall vote tomorrow; second, a referendum in which producers would choose between a permanent wheat certificate program, which would reduce Government costs substantially, and a costly 2-year extension of the 1962 wheat program should be changed to provide wheat producers a choice between the supply management certificate program recommended by the administration, and by the Senator from Louisiana, and no production limitations, with price supports not to exceed 50 percent of parity.

These will be the two issues before this body on Thursday.

The reasons for adoption of these amendments, as I see them, are quite simple and direct. First, the total additional cost to the Government in 4 years, of voluntary feed grains and wheat programs as the committee had recommended them, would be nearly \$4 billion. The cost to the Government for the 1963 crop—which is not the same as the 1964 fiscal year—is estimated to be three-quarters of a billion dollars greater under the voluntary programs than under the Ellender amendment and the program suggested by the administration.

For example, diversion payments alone under the administration program, as presented by the Senator from Louisiana [Mr. ELLENDER], would be almost \$3½ billion less for the 4 crop years 1963 through 1966 than under the voluntary programs.

I wish our colleagues would examine these figures, because not a day goes by in this Chamber that someone does not rise and remind us of the budget, that someone does not say we must stop this deficit spending.

I am going to watch the votes on the Ellender amendment, because anyone who wants to curb deficit spending—and let the taxpayers and the public know this—who wants to cut down on the cost of Government, who wants to bring the budget into balance; will desire to save approximately \$3½ billion in the wheat and feed grains programs in the next 4 years and at the same time there will be a better price for these commodities to producers, and more than adequate supplies for all the needs which can be projected for the immediate future.

A large part of these savings would come as a result of putting an end to

increases in acreage of noncooperators, which tends to offset the effects of acreage reduction in voluntary programs.

If we are going to have price support programs which provide a reasonable degree of economic stability and income for the producers of food and fiber, it is not wrong, it seems to me, for the rest of the community of American citizens who are consumers to ask that there be some regulation of the supply, or production. Farmers are willing to have this—that is, the majority of them are. This has been proven in the case of cotton, tobacco, wheat and rice. Farmers have complied because they could see that the prices they would receive for their commodities would be fair in terms of their investment, work, and the risks and hazards of their occupational agricultural activities.

We have a group of people in agriculture, as well as in other parts of our economy, who like a "free ride." We call them noncooperators. They are the people who want to get the advantages of the price support program, but do not want to take any of the responsibilities. They are the ones who want to get \$1.50, let us say, for a bushel of corn, but do not want to cut production. Those are the noncooperators. That is the problem under any voluntary program.

I am going to continue to remind my colleagues of the fallacies of the way of this administration's predecessors in the farm program.

It was in 1956, I believe, and again in 1958, that the previous administration recommended a low price support of 65 percent of parity on feed grains. Corn is the biggest item; grain sorghums is another great feed grain. There was a price of about \$1.10 a bushel on corn in Minnesota and Iowa. The farmers were told, "Go ahead and plant all you care to. We will give you a low price support of 65 percent of parity and no controls"—the theory being that, if the price support were low enough, farmers would not produce, and thereby production would be cut—a theory that has not one scintilla of fact to prove it. It just does not work at 65 percent of parity.

The theory works when the price support goes to 50 percent of parity. Then production is cut. But when it stays at 65 or 70 percent of parity, production is not decreased, unless there are some other incentives to cut production.

The Secretary of Agriculture, in testifying on this bill, pointed out the very things I am talking about now. He testified, in reference to a bill, H.R. 10060, which, I believe was presented by the Farm Bureau. The Secretary stated he opposes this bill because it would cost farmers nearly \$1 billion loss in income and would cost the taxpayers another billion dollars in increased Government costs, and even at those costs it would offer no permanent solution to the problem of surpluses.

This particular proposal was one which supposedly would have taken land out of production. It was a kind of soil bank proposal.

Madam President (Mrs. NEUBERGER in the chair), we have learned the hard way. Let us quit kidding ourselves. We

went up the hill and down the hill, through the bank and out of the bank called the soil bank, with the previous administration in its programs for agriculture. What did they do? Surpluses continued to mount. The Commodity Credit Corporation became the largest corporation in the world. The investment by the Government of the taxpayers' money amounts to billions of dollars. Production continues to grow. However, farm prices went down. Farmers left the land. In 1961, we found American agriculture in one of its most serious periods of recession.

Fortunately, as a result of emergency action taken a year ago, we were able to stem the tide of recession and to restore some farm income. The net realized income of farmers increased about a billion dollars in 1961, from an estimated \$11.7 billion in 1960 to an estimated \$12.7 billion in 1961. This represented a gain of over 8 percent in income from farming available to U.S. farmers for family living and investment.

Madam President, I think it should be noted that in 1952 farm income was approximately \$15 billion, net. Since 1952, the population of the United States has increased by approximately 20 million people. Despite the increase in population, which results in a greater demand for food and a greater consumption of food, farm income went down on an average of a half billion dollars a year, with the result that in the fiscal year 1961 there was a net income to farmers of only \$11.7 billion. It took considerable effort and emergency legislation in the past year to raise that income by a billion dollars for the entire agricultural economy.

Madam President, the \$12.7 billion realized net farm income in 1961 was estimated to be the highest since 1953 and well above the 1954-60 average.

I point out to the critics of the administration's farm policies that the arithmetic, in terms of net farm income, is on the side of this administration. The statistics, in terms of net farm income, surely do not support the policies laid down by the previous administration as the agricultural policies for this country.

Madam President, the administration's wheat and feed grain programs in my mind are specifically designed to be of constructive help to the farmers and to the public. I am hopeful that these programs, which provide for referendums along the lines of those provided for the cotton, tobacco, rice, and peanut programs for many years, will be passed. I hope this kind of program will be applied to the wheat producers and to the feed grain producers.

At a later time during the debate it is my intention to go into some of the details or the specifics as to how these programs will operate, even though I do not think this is absolutely necessary, since the chairman of the committee [Mr. ELLENDER] has gone into great detail in his presentation to the Senate.

Mr. McCARTHY. Madam President, will the Senator yield to me on one specific point?

Mr. HUMPHREY. I am happy to yield to my colleague, who serves on the

Committee on Agriculture and Forestry.

Mr. McCARTHY. The Senator knows that a number of Members of the Senate have spoken about what they consider to be a special problem which might arise in respect to some segments of the dairy industry, at least unless a dairy price support program is approved. Those Senators feel that unless a dairy price support program is approved, to raise the prices of dairy products, the feed grain program as proposed by the chairman of the Committee on Agriculture and Forestry, if accepted by the Senate, would be of great disadvantage to all of the dairymen.

There seem to be some misconceptions in this point of view. One should take into account the modest increase in prices which would result. One should take into account the existence of great surpluses of feed grains. This is particularly true if we include in the figures for the feed grains of surplus a lot of wheat still listed as being suitable for milling which in fact has reached the point of deterioration that we shall be lucky if a lot of it is good feed. One should consider the entire dairying program—not merely 75 percent of parity for manufacturing milk, which my colleague and I agree is too low, but also the total milk picture, even in respect to marketing areas and prices paid for milk in many cases much higher than 75 percent of parity. Certainly, in the name both of equity and of justice for feed grain producers in relation to dairy farmers, the proposals made in the Ellender amendment are, it seems to me, modest and within reason.

Mr. HUMPHREY. I suppose one might expect, after only a surface study or a very limited understanding of the feed grains proposal, that there might be individual dairy producers in the East, or in what we call the feed deficit areas, who would register disapproval of the feed grains provision. As the Senator has pointed out, when one studies the real facts then there ought not to be any opposition from the dairy producer of the East, or of the Southeast, or elsewhere.

The Senator has cited the fact that the increased price to the feed grain producer will not be extravagant. It will be modest. It is long overdue.

Secondly, the program which is contemplated for feed grains is not a scarcity program. It will not mean a rigging of the market to force up prices dramatically and drastically.

More important, as my colleague from Minnesota said, the supplies of feed grain in the Commodity Credit Corporation represent approximately 5 to 6 months of supplies of the regular feed grains, along with a tremendous supply of corn over and above what we call the normal feed grains, plus the wheat.

I am glad the Senator brought up the subject of wheat and the other grains, because, of course, this is the cushion which prevents any inflation in prices and which should remove any fears of the dairy producers in the so-called feed deficit areas. The wheat to which the Senator refers, in my mind, should be reclassified or redefined.

Mr. McCARTHY. Declassified.

Mr. HUMPHREY. Or declassified. The Senator is correct.

There is a large amount of wheat owned by the Commodity Credit Corporation which is not milling wheat. The Senator and I both know that milling wheat is at a premium. One does not need a price support for milling wheat now, particularly. Milling wheat is selling far above the price support level. It is a premium priced commodity.

Mr. McCARTHY. The millers themselves have requested an expansion of the production of milling wheat, or have requested that Congress permit an expansion of production of that kind of wheat.

Mr. HUMPHREY. That is correct. I think the bill before the Senate would provide authority for doing so.

Mr. McCARTHY. There is a provision with respect to the types of wheat in which increased production is considered necessary.

Mr. HUMPHREY. As I recall, my colleague was instrumental in getting that section put into the bill. With respect to the type of wheat used for milling purposes—for bread purposes in the American market in particular; and for the purpose of spaghetti and macaroni, which require high quality wheat—there would be discretionary authority to adjust the supply.

I believe the Senator worked with the Senator from North Dakota [Mr. Young] on that provision.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. I wish to give credit where credit is due, because I think this is an important amendment.

The kind of wheat to which my colleague [Mr. McCARTHY] referred earlier is a feed grain. It is not really a milling wheat.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. We speak about billions of bushels of wheat. I think it is fair to say that over half of that wheat may not be suitable for milling purposes.

Mr. McCARTHY. Estimates run from 800 to 900 million bushels that are basically unsuitable for milling purposes.

Mr. HUMPHREY. The Senator reminds us that 800 to 900 million bushels are not suitable for milling purposes. The average citizen in our country, speaking of wheat, thinks of wheat for bread, flour, pastries, and the sort of thing that we get for the kitchen, when, in fact, much of our wheat stocks today are not suitable for such use.

Mr. McCARTHY. We moved somewhat away from the feed grain program in relation to the dairy problem. But the point the Senator has made in reference to wheat has significant bearing on another amendment which the chairman of the committee intends to offer. The amendment would strike out of the proposal one of the choices given with reference to wheat. The amendment would get to that very point. It would attempt to bring about a reduction in the production of the kind of wheat that

is not necessary for feed, and certainly not necessary to supply the milling needs of our country.

Mr. HUMPHREY. I believe the Senator is absolutely correct. As it has been described by the chairman, and discussed in the committee, the Ellender amendment together with the amendment we have discussed, which is sponsored by the Senator from Minnesota and the Senator from North Dakota, is the sensible approach to the problem of wheat production.

Mr. McCARTHY. The Senator is correct. I would like to make two observations with regard to the question of the price of feed grains and the dairy industry. The argument made by spokesmen for certain areas of the country is that they are both big milk producing areas and deficit feed grain producing areas. They need inexpensive or cheap feed. The argument is not particularly sound since for the most part those are areas in which milk marketing orders stand.

Mr. HUMPHREY. Would the Senator mind explaining the difference between a milk marketing order with reference to price and the regular price support program?

Mr. McCARTHY. The milk marketing orders have the effect really of setting up a kind of controlled price within a given area.

Mr. HUMPHREY. A much higher price.

Mr. McCARTHY. A much higher price than the \$3.11 that is paid for manufacturing milk. As the Senator knows, in many of the marketing areas, particularly in the east and the northeastern area, by arrangement, about half the milk produced under the marketing orders is now sold as manufacturing milk, whereas the original intention, for the most part, was to protect consumer interests and assure a supply of high grade milk.

In order to qualify within a marketing order, a producer must produce high grade milk. Having produced and delivered the milk, it is in a sense declassified, too. Even though it is produced and handled at a relatively high cost, in order to qualify as grade A milk under a marketing order, it is then sold as manufacturing milk. We would then have a very uneconomical operation. In some areas the cost of feed runs as much as \$20 a ton more than the cost in Minnesota and Wisconsin. The cost is part of the total bill which is paid in those areas. But those producers have the advantage over those covered under a marketing order, in that they can afford to produce almost twice as much fluid milk as is needed for the market at \$20 a ton more than it would cost them if they produced manufacturing milk close to the source of feed. Yet they would have the advantage that they had overproduced by nearly 100 percent in order to get the advantage that comes from being covered in the marketing order. Certainly producers in areas of that kind, or the people who speak for them, cannot make a justifiable argument for keeping feed prices low so that they can continue that uneconomical

method of producing manufacturing milk.

Mr. HUMPHREY. An excess supply. Mr. McCARTHY. An excess supply, particularly of manufacturing milk.

Mr. HUMPHREY. The Senator speaks of areas in which there is already an excess supply and where feed grain production is the normal pursuit of the farm community.

Mr. McCARTHY. In the first place, they are better able to pay proper prices for feed because they have a guaranteed price. They operate in a protected market. Second, they have no economic justification for continuing the system, if we can call it a system. On the other hand, in the Midwest we are concerned about the movement of milk production to areas in which it is not really economical to produce milk. It would be to the advantage of producers in such areas to raise the price of feed grain so that the uneconomic advantage which goes with the marketing order areas in the East would not be altogether eliminated, but at least reduced.

Mr. HUMPHREY. The Senator has given a very concise and clear explanation of some of the differences in dairy production costs and marketing practices, between what we call the surplus dairy production areas and the so-called marketing order eastern areas. He has described for us what the feed grain proposal would mean to those respective areas of production.

I would boil the argument down by saying that if we wish to have a fixed good price under the marketing order, the producer ought to be able to pay a reasonable price for feed. If a producer is going to maintain a fixed good price in the marketing order area, and at the same time produce more milk than can be marketed for the consumer in terms of the delivered product of wholesome milk for daily use, we ought not to ask the feed producer in the Midwest further to subsidize that kind of operation with cheap feed prices.

I might even add that the program that is suggested and recommended by the Ellender amendment and by the administration will not drastically increase feed prices so that anyone would be driven out of the dairy business, but at least it would require those who are in the marketing orders and working under them in some of the highly concentrated, densely populated areas to pay a fair price for their feed. At the same time they would receive a fair price for their dairy products.

Mr. McCARTHY. As the Senator has said, it may tend to produce a double subsidy, in effect. First, one would come from the marketing order, which affords price protection; second, one would come from cheap feed.

Mr. HUMPHREY. The Senator is correct. I do not believe that neither of the Senators from Minnesota are protesting the use of marketing orders.

Mr. McCARTHY. Not at all.

Mr. HUMPHREY. To the contrary, marketing orders are an orderly way of maintaining proper marketing practices. But if we are going to have marketing orders that provide a fair price—and

sometimes a very good price—producers ought to be willing to pay a reasonable price for their feed.

Mr. McCARTHY. And when we have substantial evidence that twice as much milk is being produced in an area than is needed to meet the demands of consumers of fluid milk in that area, then there is some reason to question the operation.

Mr. HUMPHREY. I thank the Senator.

Mr. McCARTHY. After we have finished considering the question of the common market, I hope the Senator will join with me in giving some attention to developing a common market in the United States.

Mr. HUMPHREY. On such questions as dairy production.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. I think that would be a worthy experiment, and would be the first stage in our becoming more closely associated with the common market.

Mr. McCARTHY. As evidenced today by our common purpose.

Mr. HUMPHREY. Our common purpose for a common market.

Mr. McCARTHY. In the United States.

Mr. HUMPHREY. I thank my colleague.

Madam President, there are a few facts that remain with us that no one can ignore.

Production of some agricultural commodities—mostly feed grains, wheat and dairy products—exceeds the volume that can be sold or given away to consumers here and abroad, channeled into industrial uses, or stored for future use.

The cost of present programs related to these commodities is too high in terms of benefits realized by farmers, consumers and taxpayers.

The rewards being experienced by farmers for making this the best-fed, best-clothed Nation in the world are still too low.

Now, Government and people, working together, can meet these problems if they will, but the initiative must come from the Congress. No one can act with authority and purpose until the Congress acts to change the law.

The bill before the Senate, and the amendments which will be proposed, have their origin in the A-B-C-D farm policy proposals made to the Congress by President Kennedy last January.

The President called for legislative action that will—

First. Make maximum use of our productive abundance.

Second. Achieve balance between production and demand that will avoid waste of private effort and public resources.

Third. Provide for conservation of land and water resources.

Fourth. Create programs for the development of human resources and renewal of rural communities.

In other words, a balanced abundance, the conservation of human and natural resources, and the development of human resources in rural communities.

The President rejected the concepts of price through scarcity, of balance through idling land and people—rather he called for maximum use of abundance—maximum utilization of human and natural resources—maximum efficiency in expenditures of Federal funds—maximum effort in the development of new opportunities.

This Congress need only open the A-B-C-D gate. There is within our people, in every community of the land, the will and the energy and the know-how and the determination to utilize the opportunities offered by a positive approach to abundance, balance, conservation, and development.

Food abundance, without utilization, is waste, disgraceful waste of human and natural resources.

We achieve maximum utilization by: Making food available in retail stores at prices that enable average-income families to achieve healthful diets and remain able to budget fair shares of their salaries for other needs.

Making food available to low-income or no-income families and individuals through grants or gifts, or partial or total subsidy.

Making food available through school milk and school lunch programs so that all children will have a measure of equity in nutritional as well as educational opportunity.

Making food available to those of our neighbors around the free world who are hampered by hunger in seeking the dignity and the decency that are inherent in the well-being of man. As Agriculture Secretary Freeman pointed out in a plea for food utilization at the recent world food forum, which was held here in Washington last week:

Let it never be said that, in these critical years of the scientific revolution, we were able to send men into space—but unable to put bread and milk into the hands of hungry children. Let it never be said that we had the scientific knowledge and the technical skill to produce power sufficient to destroy civilization, but that we did not have the ability, the vision, and the will to use that knowledge to produce and distribute the abundance that science and technology now offer to a world at peace.

Madam President, I heard that message. The Secretary outlined in it the manifold achievements of American agriculture during these many years. He told us particularly of the most recent 100 years, and how American agriculture had increased production and permitted people to leave the land to work in our cities. He told us of the great contribution that American agriculture has made to the scientific and technical and industrial progress of the United States. Madam President, in the United States today there is a very small minority of our people, less than 10 percent, on the land as farm producers. Yet each one of these people produces a large amount of food and fiber, in amounts sufficiently large to feed and clothe the people of this country better than any other country of the earth, and permit this Nation to have vast exports of agricultural commodities, thereby increasing the economic strength of America. At the same time American agriculture permits this

Nation to use food and fiber as an integral and important part of our national security program.

It is a remarkable record. This record deserves the commendation of Congress and, indeed, it deserves the favorable consideration of a legislative policy to permit the producers of food and fiber to share equitably in the national income.

The legislation before the Senate can strengthen and widen these avenues of availability, can make abundance more meaningful, and make certain there will be a maximum utilization of our abundance.

For 300 years we have been cognizant of the relationship between price and supply in farm commodities. This has not been an entirely selfish recognition, because the relationship between supply and waste has always been a factor, too.

We have been experiencing waste—waste in land use, waste in labor, waste in seed and machines—by producing some commodities beyond our capacity for utilization through sale, through gift, and through industrial use. Principal among these have been feed grains and wheat.

The waste of land and human resources in overproduction has resulted in unnecessary expenditures of tax resources.

Total outlays for farm programs advanced from \$2.9 billion in fiscal 1954 to \$7.1 billion in fiscal 1959, and to \$7.2 billion this fiscal year. By 1961, as a result of ineffective supply management programs of the previous 8 years, costs of carrying surpluses of wheat and feed grains had reached \$900 million annually. That is not the cost of the commodities. It is the cost of carrying these surpluses.

Responsibility for the current lack of balance belongs to all Americans—not just farmers. And the developments of 8 years cannot be reversed overnight, and in the national interest an immediate reversal should not be attempted.

The legislation proposed for feed grains and wheat programs provides for transition toward balance, not a plunge. It provides for a sharing of responsibility for supply adjustment among producers, with a sharing of diversion payments to help cushion the transition, along with supported prices—hinged, of course, to their approval of all such processes in a referendum.

Madam President, the referendum I refer to is one that will be conducted throughout the land on programs of supply and management, and if two-thirds of the farm producers of a commodity approve a program, then, and only then, does it become operative. In other words, the program will be designed to meet the needs of the Nation, the economic requirements of the producers, and the needs and the economic requirements of the consumers.

Above all, it will be a program that will go into effect only when an overwhelming majority of the producers agree to it. It will be a program that will be self-imposed by farm producers. What Congress does is authorize this type of referendum.

With these programs it is estimated that Government stocks of corn and grain sorghum could be reduced to around 1.1 billion bushels by the end of the 1966 marketing year, while wheat stocks in Government hands were being reduced to 655 million bushels. We would still have substantial reserve supplies in the Commodity Credit Corporation inventory, while carrying charges were dropping to \$280 million a year as compared with the current \$1 billion a year.

Madam President, I repeat what I said earlier. I want to see adequate supplies of food and fiber produced, but I also want to have the cost of the program reduced, so the taxpayers of this country will not rise up and revolt against an uncontrolled, poorly managed, and unlimited program of agricultural assistance.

The President of the United States has been trying to make this clear. He is a friend of agriculture. The Secretary of Agriculture is a friend of agriculture. He is a friend of farm producers. He is a farmers' Secretary.

But, Madam President, it has been said that unless some reasonable balance and restraint can be brought into this program, we run the risk of having no program, because of a disgusted and discouraged American public.

Now I wish to say a word about the necessity of adequate reserves. The Secretary of Agriculture, in talking about our abundance, said:

In every case, the balance would be sought in terms of maximum use of our abundance of food and fiber, both at home and abroad.

It is my deep conviction that this Nation can live up to its moral obligations and its leadership responsibilities only if we do our utmost to see that no one in the United States lacks a nutritionally adequate diet, and to make maximum effective use of our abundant agricultural productivity to relieve suffering and promote economic development abroad.

This past year has witnessed a notable expansion of programs for increased utilization of food.

Eighty-five thousand schools, child care centers and camps are receiving more fresh milk than ever before. Eight hundred thousand more children enjoy a hot school lunch. Both the quantity and the variety of food distributed to more than 6 million needy persons has been stepped up. A pilot food stamp program in eight communities has brought such encouraging results that its expansion in a further trial period is justified and will be carried out.

I digress to remind the Senate of the fight we had about that proposal in 1958. I led the fight in the Senate for a food stamp plan. Finally we were able to get a trial pilot plan. That program works. It is a success. One of the pilot projects is in my home State of Minnesota. Others are in Michigan, Pennsylvania, West Virginia, and other States. The report on the food stamp program is encouraging.

The Secretary of Agriculture went on to say:

We have likewise expanded our use of food in the foreign aid program under Public Law 480. Last year the Congress passed amendments extending and improving that act. In order that our food for peace program can be made even more effective, the

bill provides for further changes that will enable us to make greater use of the abundant production of our farms for the development of future markets for U.S. farm commodities and in support of our overall foreign aid program.

So this Senator, together with the Secretary of Agriculture, is not advocating a program of scarcity. We are advocating a program of maximum wise use of our production and of our abundance.

I will send to the desk, to be printed, an amendment which I shall ask to have incorporated in the text of the proposed legislation. It will outline and describe what is meant by commodity reserves. I speak of a program to determine and maintain stocks of farm commodities in quantities and in locations needed as an integral part of the supply management program. I shall, at the appropriate time, when the amendments are called up, address myself to the objectives of the commodity reserve program.

The purpose of the amendment is to protect against fluctuation, to protect against unusual, unexpected swings in demand as a result of international tension, famine, or disaster, and to try to provide for defense needs. The proper management of these stocks requires that the Department have additional flexibility in acquiring farm commodities, since the reserve needs vary from time to time.

The Department of Agriculture, in its report entitled "Food and Agriculture—A Program for the 1960's," makes the following statement:

The Department proposes to maintain a continuous review of production and demand conditions and to determine periodically desirable public reserve levels for the major commodities. These would enter into acreage allotment considerations and would be a guide to safe limits to reductions in public stocks, as well as indicating commodities for which carryovers should be increased. The feed grain and wheat program outlined earlier would bring carryovers approximately to needed reserve levels by 1967. Preliminary studies indicate that current stocks are now far above reserve needs for these commodities and for dairy products.

I have a feeling, from what I have heard in the debate, that some Senators will say that the Ellender amendments, the administration's farm program, endanger supplies, or the availability of supplies, for the food-for-peace program and for the national security reserves, in the kind of troubled world in which we live. This is not so. In order to make positively certain that such will not be the case, I will submit an amendment which, at the appropriate time, I shall call up. It will provide for what we call our needed food reserves.

I have been concerned about this subject for a long time, because the Agricultural Act of 1956 requires that the Department of Agriculture operate its price support programs to liquidate its stocks as rapidly as possible. That amendment, enacted back in 1956, if strictly interpreted could leave our security reserves nonexistent. We now

have an abundance of evidence indicating that current stocks of food in the United States, as I have said earlier this afternoon, are larger than necessary to meet any conceivable emergency, including crop failure, as well as sharply increased needs. We also have evidence that the maintenance of such large stocks is an unnecessary financial burden on the taxpayer that offers no corresponding benefit to the farmer. We ought to be considering programs, and we are considering programs, which would reduce these stocks and the accompanying high costs, and at the same time maintain farm income.

As these programs go into operation, the time will come when we must decide what are the minimum necessary reserves of food that should be maintained. I think that time has come now; in fact, I have thought so for some time, and have submitted amendments for that purpose.

Our present abundance of food and fiber has been acquired through the operation of price support programs which were designed primarily to increase farm income. In most cases, the quantities of food and fiber in Commodity Credit Corporation stocks bear little relation to actual or anticipated requirements. We should examine now our needs for food reserves and the ability of the U.S. farmer to meet these needs. I have preliminary estimates of food reserve requirements.

These estimates are based upon an analysis of reserve needs by the following categories: first, a defense reserve; second, a reserve for price stabilization; third, a reserve for food distribution programs both domestic and foreign; and, fourth, a reserve for commercial market requirements to maintain at all times an abundance of food for the American consumer.

These estimates referred to are based upon conceivable needs for food stocks assuming that we may some day expect a very poor crop year in the United States that could be preceded or followed by a moderately poor year.

This is not a ridiculous assumption. Other nations have experienced poor crop years as a result of drought and bad weather. We in this country have been blessed for the past 10 or 15 years, on a national basis, with reasonably good weather. But every old-timer knows—and we always hear from the old-timers—that there are seasonal fluctuations and weather cycles. We can have every reason to expect that we might ourselves be the victim of such an adverse weather cycle.

A very poor crop is taken as one typical of the worst 5 individual years out of the last six decades. These estimates do take into consideration the possibility of sharply increased emergency needs in particular areas of the world. At the same time, however, the estimates recognize that the Food for Peace pipeline to many countries is relatively full, and could be relaxed slightly for short periods of time, to meet emergency needs elsewhere.

I call attention to the following table:

Recent carryovers, compared with needed stocks, selected agricultural commodities

Crop	Unit	Carry-over, end of marketing year 1960-61 ¹	Goals for total stocks ²
Wheat.....	Million bushels....	1,411.0	600.0
Rice, rough....	Million hundred-weight.	10.0	11.0
Cotton, all....	Thousand bales....	7,200.0	6,200.0
Peanuts.....	Million pounds....	367.0	450.0
Feed grains....	Million tons.....	84.0	40.0
Soybeans.....	Million bushels....	6.0	100.0
Sugar.....	Million tons.....	³ 1.7	2.3
Nonfat dry milk.	Million pounds....	305.0	300.0
Butter.....	do.....	⁴ 116.0	100.0

¹ Calendar year for dairy products. Annual average for sugar.

² Public and private.

³ Distributors' stocks in December 1961 were about 2.3 million tons.

⁴ On May 1, 1962, stocks were 318 million pounds.

Needed reserves for wheat are estimated at about 600 million bushels, which is a quantity less than half of recent carryover levels. As a matter of fact, I believe that is a very modest figure, and it might very well be increased. A reasonable goal for feed grains is indicated at 40 million tons, compared with 84 million tons at the beginning of the current year. Stocks of feed grains are particularly large, in relation to conceivable food-for-peace outlets. In value terms, about one-third of total U.S. reserves of agricultural products are now in the form of feed grains. On the other hand, we can expect in the next few years a maximum of only 15 to 20 percent of our food-for-peace commodities to be programed in the form of feed grains both for direct human consumption and for animal feeding. It thus appears that public funds appropriated to maintain the present level of stocks of feed grains would serve no public purpose.

Let me emphasize that these are preliminary estimates of required stocks of agricultural products. However, this is a matter of greatest national and international importance. It is a subject that demands further study and evaluation at the highest levels of public service. What are the criteria that should be used in evaluating the various categories of potential food needs and the probabilities that these needs can be met either from current production or from stocks accumulated at Government expense? I believe it is essential that we provide for a Public Commission responsible to the President, and reporting through him to the Congress, to study this whole subject of necessary reserves of food. This Commission can greatly assist the Congress in establishing legislative guidelines to the Secretary of Agriculture on the management of supplies in the national interest and in the interest of the free people of all nations. The commission I propose is not one which would be manipulated by any special interest group; it is not one which would be composed of only farmers or departmental employees. It would be a public commission to study the need for certain strategic reserves for the purposes declared.

Assuming, for the moment, that such a Commission might reach conclusions similar to those set forth in the table to which I have referred just now, what would be the cost involved? At present, the Commodity Credit Corporation expenditures for carrying charges are running in excess of \$1 billion a year. If we find that necessary reserves are, on the average, about one-half of present stock levels, it would still cost about \$500 million a year to maintain and rotate these stocks. But this expenditure would serve the public interest, by guaranteeing the availability of food for domestic emergencies and priority food for peace programs.

Inherent in the health of a society is its concern for natural resources—for their conservation, and their utilization.

We have long familiarity with, and a rather respectable record for, the conservation of soil and water, for future use. We have a growing need to conserve them and use them simultaneously—use them for healthful, outdoor recreation and use them to grow wildlife and fish. As the urban populations increase, the need for grass and for trees and for flowers and for accessible lakes and streams grows, as well—and the public supply is running short of the public need.

I know that this part of the farm bill has taken a certain amount of journalistic "razzing"; but let me say to those who poke fun at such uses that with the vast growth of urban areas, the great growth of the population, and the wall of steel which we call the automobile, which extends from one end of the country to the other, the need for recreational areas, open spaces, and places for wholesome outdoor recreation will increase; and surely the only source of such land is rural America. Therefore, this program takes note of this need, and provides a way to assure healthful outdoor recreation and all it means.

Just as we have both free and for-pay indoor entertainment and recreation, we can have free and paid-for outdoor recreation.

The legislation before us recognizes this potential, in providing at least a start toward making both loans and technical assistance available to individuals and public bodies for recreational facilities.

Just as voluntary supply-management programs tend to bring a dropoff in participation prior to the achievement of the objectives, a program calling for compulsory management involves a risk. Farmers voting in the referenda could terminate collective-bargaining agreements with government.

I have never subscribed to the theory the farmer does not need the cooperation of an understanding and appreciative government. The very nature of the family farm and the marketing system under which farmers must function require this cooperation in terms of price, of credit, of services, and in fair distribution of the responsibility for soil and water conservation.

Such cooperation is never a subsidy. It is an investment in the general wel-

fare for today and tomorrow. It could be terminated—and perhaps I would find it difficult to concede to farm families a right that must in all honesty be conceded—namely, the right to be wrong.

Yet, in fairness to all of our society, and in realization that we must explore new ways of doing things in a complex and changing nation and world, I must accept the fact the time is here for clear-cut decision on farm policy.

We must redefine the terms of relationship; and we must also, as I have said before, in an address to the Senate, redefine what we mean by adequate farm credit, because this, too, is a part of the legislation which is before us.

I am confident that our farmers have the intellectual, economic, moral, and political courage to help write the definition.

FARMERS HOME ADMINISTRATION

Under the insured loan program, private investors provide funds to help eligible farmers enlarge, develop, and buy family farms, to refinance debts, and to develop community water systems. The loans are made and serviced by the Farmers Home Administration.

The Government collects the principal and interest payments, when due, and forwards the receipts to the lenders, after retaining one-half of 1 percent for insurance. The lenders agree to hold the notes for at least 3 years. If the borrowers default, the Government agrees to make the payments. The loans return 4.5 percent to the lender, and the farmers pay 5 percent interest. Principal investors are banks, pension funds, insurance companies, and trust funds.

The insured loan program was started in 1947. Since that date, more than \$390 million has been invested. The repayments of principal have totaled more than \$100 million. The losses have amounted to less than one-tenth of 1 percent.

Applications for insured loans are made at the county offices of the Farmers Home Administration; and supervision in farm management is provided by the FHA. Insured loans are made only when a farmer is unable from other sources to obtain the credit he needs. The insured-loan program has many merits. The farmers who receive the loans are able to strengthen their operations. The rural communities in which the loans are made are fortified, not only by the improvements made with the loans, but also with the increased trade that is brought about by the expenditure of the loan funds. In addition, the use of insured funds, rather than appropriated funds, lessens the strain on the U.S. Treasury.

The current difficulty lies in the ceiling that is set on the amount of insured loans that may be made in a fiscal year. Currently, this ceiling for farm ownership and soil and water conservation loans is \$150 million. The demand for insured loans is so great that the ceiling was reached on May 11 of this year. In the next fiscal year, because of the large number of unfilled applications currently on hand, and because the demand for this type of credit will continue, and per-

haps will intensify, the ceiling will be reached by December 31.

Nearly 20,000 applications for these loans were on hand in Farmers Home Administration offices on March 31. The number of applications for farm ownership loans during the first 9 months of the present fiscal year increased 16 percent over the same period in the previous year.

The rising demand comes from young farmers who have bought farms on terms they could not handle, and who need to have their debts refinanced on more manageable terms adapted to their ability to repay; and the rising demand also comes from small farmers who are seeking to enlarge their holdings, from farmers and rural residents who need to develop a clean, fresh water supply for household use, and from family farmers who are developing and improving their farms and farm homes, to keep pace with the changing times.

For the past several months, insured loans were committed at a rate of \$25 million monthly, or \$300 million annually.

In my opinion, the ceiling for the amount of insured loans that can be made in one fiscal year should be raised to \$300 million; and I have at the desk an amendment—which at the proper time I shall call up—to accomplish this objective.

The funds are available. One of the most progressive of our labor unions has offered to invest \$100 million in these loans over a 4-year period. The funds of this organization, as well as those of the banks and other lenders that are investing in insured farm loans, will be diverted to other markets, unless prompt action is taken. My amendment does not provide for the appropriation of more funds. It provides that there shall be insured loans up to the amount of \$300 million. Those loans will not cost money; instead, they will make money. What a wonderful business—to loan money; it is one sure way to make money.

The need is apparent. Unless action is promptly taken, thousands of family farmers will be deprived of the credit they need if they are to continue and to strengthen their operation.

If action in raising the ceiling were to be delayed until the next Congress meets, there would be a period of several months when credit of this type would not be available, and this period would occur at a time of the year when the funds are most needed.

Tomorrow, I shall also offer an amendment which will reconfirm the long-standing policy of the Government of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directing the Secretary of Agriculture and the Commodity Credit Corporation to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation; to encourage the orderly marketing of farm commodities through private, competitive trade channels, both cooperative and noncooperative, and to obtain max-

imum returns in the marketplace for producers and for the Commodity Credit Corporation.

In other words, I want to see the Commodity Credit Corporation be a supplement to the private economy, not supplant it. I want to see the Commodity Credit Corporation work through the normal channels of trade, working with and cooperating with our cooperatives and our private grain trade and agricultural enterprises. I do not want to see the Commodity Credit Corporation take over the business of marketing agricultural commodities. I said this before; and I say it now. There is a normal tendency in government, whenever it gets its hands on a large business operation like the Commodity Credit Corporation, to start to run it, not only as a business, but as the only business.

I repeat that when Mr. Benson was Secretary of Agriculture I stood on the Senate floor and said, "I want to see the Commodity Credit Corporation maintain its operations within the terms of the charter of the Commodity Credit Corporation. I want to see the Commodity Credit Corporation be a supplement to, an aid to, private industry, private trade, to the farmer, to the farmers' cooperatives, to the cooperatives and the noncooperative enterprises. I do not want to see the Commodity Credit Corporation take over the grain business, the dairy business, the cotton business, the tobacco, wool, rice, or any other kind of business. I want to see the Commodity Credit Corporation only as a helping hand—supplementing, not supplanting; aiding, not taking over.

So let these words of warning be on the record, because every once in a while I see something happening that indicates some people cannot differentiate between the words "supplement" and "supplant." "Supplement" means to help others; "supplant" means to take over.

The Agricultural Act of 1949, as amended, and the Agricultural Act of 1938, and other acts, do not provide for the Commodity Credit Corporation to be in the business of agriculture; they provide for the Commodity Credit Corporation's assisting in orderly marketing of agricultural products.

I am confident we can pass good legislation here.

I conclude by commending the members of the committee. The vote on the controversial items was close in the committee.

I personally feel the amendments offered by the distinguished chairman of the committee, who has such a brilliant record of service to American agriculture, are worthy of support. It is my intention to support the wheat and feed grains amendments offered by the Senator from Louisiana [Mr. ELLENDER].

It is my intention to offer amendments relating to insured loans, to the Commodity Credit Corporation and its operations, and also calling upon the Secretary of Agriculture to treat farmer associations as he would treat farm individuals in the operations of the Commodity Credit Corporation.

These and other amendments will be before us. I am confident our farmers under this program can have a better economic future, and I am confident our country, under the amendments being proposed, and under the bill before us, can have a stronger agricultural economy, and that it will enable us to fulfill our duties at the same time.

I am confident our farmers have the intellectual, moral, and political courage to help write the new definition that is required in terms of what our agricultural policies should be for the 1960's.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON REVENUE ACT OF 1962

Mr. HUMPHREY. Madam President, I ask the Chair to lay before the Senate an amendment of the House of Representatives to Senate Concurrent Resolution 68.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 68) to print additional copies of hearings on the Revenue Act of 1962 which was, in line 3 after "thousand" insert "five hundred".

Mr. HUMPHREY. Madam President, all the amendment does is to increase by 500 copies, to a total of 1,500, the allowance for the printing of additional copies of hearings on the Revenue Act of 1962. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. I thank the Senator from North Carolina [Mr. JORDAN], for his patience.

While I am on my feet, I wish to thank him for his service to agriculture, not only as a member of the Committee on Agriculture and Forestry of the Senate, but as one who has contributed as a member of this area of our economy and who in his private life is engaged in this field.

Mr. JORDAN. I thank the Senator. I may add that if a Senator has no patience, he had better not be a member of the Committee on Agriculture and Forestry, because being on that committee requires patience.

Madam President, North Carolina has either the largest or the second largest number of small farmers in any one

State. There has been some argument as to which State has the largest number of small farmers. At any rate, North Carolina ranks very near the top of the Nation in the number of small farmers and small farms located in any State.

Agriculture is a vital part of the economy of North Carolina. Last year agriculture contributed about \$1,100 million to the economy of our State. So one can readily understand that it is a very important part of our economy.

In the Committee on Agriculture and Forestry, on which I have the pleasure of serving, we have been at grips with this problem for many days. It has given me a great deal of concern. We have spent a great many hours discussing it, and listening to farm leaders, people from our home States, and people from all over the Nation; in an endeavor to work out a farm program that would best deal with the problems facing us in our farm economy at the present time.

We have come to the point where we must deal effectively with some of the basic problems confronting agriculture or see the disintegration and destruction of our farm economy.

I do not think the Congress has ever had a more difficult or far-reaching domestic problem to solve than the current farm problem. Because of its seriousness and complexities, any solution will of necessity be most difficult to agree upon.

But we have no choice, and I think the reason we have no choice is because too many years have already passed without our coming to grips with a realistic solution.

I would like to say with all sincerity that no man has more completely dedicated himself and his energies to the tedious task of finding a solution than has the chairman of our committee, the senior Senator from Louisiana [Mr. ELLENDER].

I know that he feels, as I feel, that we do not propose a perfect solution. We know there are imperfections in it, but it is the best possible solution and the most realistic one that we have been able to find.

Realizing that we can never get all we want, so to speak, in any legislative measure, I hope the Senate will approve the amendments proposed by Chairman ELLENDER.

Basically, four courses are open to us in dealing with the vast problems we have in grains:

First. We can have no program at all—no price supports and no production controls, and I think everyone will agree that this will lead to chaos in view of the fact that all other segments of our economy are to some extent controlled.

Second. We can have no production controls accompanied by price supports. We have had experience under this type of program and it has resulted in low farm income and unmanageable and burdensome surpluses.

Third. We can continue the voluntary retirement program we now have. Experience under this program has shown very clearly that we take the less productive land out of production at high costs and continue to produce surplus stocks.

Fourth. We can have a program of reasonable production controls and reasonable price supports. These two must go together and we cannot successfully have one without having the other if our farm economy is to prosper without undue burden on the taxpayers.

In considering the proposals before us I think we must of necessity come to the conclusion that we must have production controls if we are to have price supports on grains. The process of elimination and the experience we have had with other approaches to the problem show very clearly that this really is the only course open to us.

Madam President, my remarks are largely confined to the feed grains and the wheat program.

I fully realize that any production control program brings with it its own problems, but I do not think that they are insurmountable ones.

A great deal has been said in my State and in other Southeastern States about the need to leave farmers plenty of elbow room to diversify their operations. I agree wholeheartedly that this must be done insofar as humanly possible, not only in my area but in all areas of the United States.

North Carolina is classified as a deficit feed grain State—our production of feed grains is far less than our consumption. I think the facts will show that we in North Carolina have had bitter experience under programs that let production go unlimited with low price supports and programs of voluntary land retirement.

When we have had programs of unlimited production with low price supports our farmers have not been able to compete, and when we have had programs of voluntary retirement our production has dropped to the point that we had to pay excessive prices to bring needed grain into the State.

In the past year, under the present voluntary program, over 600,000 acres were taken out of production of corn and feed grains in North Carolina. That has helped to reduce the surplus stocks in storage very little, but at the same time it has cut down the availability of feed grains which are needed in our State. Therefore, it has been necessary to bring in feed grains from other parts of the country at extremely high freight rates. That has been a high penalty to be paid by the livestock producers, the hog producers, the chicken producers, and all others who must purchase feed grains.

The same thing happened this year in respect to wheat production. I believe North Carolina acreage is at the lowest point in our history. There will be fewer acres of land planted to wheat this year in our State than at any time in the history of the program, since statistics have been kept.

Although the voluntary program has brought a certain amount of income to a great many of our farmers, which is a good thing, on the other hand it has cut the production of feed grains and wheat, so badly needed in our own State. Our livestock production, hog production, chicken production, and other production needs to expand, and if it is to do so there must be a larger propor-

tion of the needed feed grains grown in our State than is now grown under the voluntary program.

Judging from the best information I can obtain, under the mandatory program which is proposed there is a provision in the Ellender amendment that a deficit area such as ours will be taken care of by the Secretary of Agriculture when he finds the area is in a deficit position. That will be an improvement. The Secretary, I understand, has the discretion and power to give some leeway in that regard.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. HUMPHREY. I am happy that the Senator from North Carolina is bringing out that point. As can be seen from the tenor of the debate in the Senate, it is not well understood.

There is a helpful protective feature in the Ellender amendment, which has the support of the administration. The feature is that if an area has a serious feed deficit, which would impede the normal economic agricultural development of the area, the Secretary would have the discretion to permit plantings for the purpose of feeding on the farm the animals and poultry necessary for a balanced farm operation and the economic growth of the area. Is that not correct?

Mr. JORDAN. I appreciate the Senator's comment. If this provision were not in the amendment I could not support it.

Mr. HUMPHREY. I understand.

Mr. JORDAN. Otherwise there would be a hamstringing of the production of livestock, poultry, other products in our State. We badly need to expand, rather than to contract.

Mr. MILLER. Madam President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. MILLER. In that connection, does the Senator imply that the Secretary of Agriculture would use the discretion in a manner which he believed would take care of the problem?

Mr. JORDAN. To begin with, if the program is adopted there will be more acres under production than would be under production under the voluntary program under which we are now working.

In addition, in answer to the Senator's question, the bill points out the necessity for taking care of the deficit areas. The Secretary could, and he should—and I think he would—make allowances for those areas. Those areas include the entire eastern seaboard.

None of our eastern seaboard States produces sufficient feed grains for local use.

This was the section of the bill for which I held out in the committee. It was finally adopted. Under this provision the ensilage which is raised on the farm and fed on the farm is to be exempted from the quotas. The dairy farmers to a large extent have big silos and store their ensilage. There is also the question of the feeding of cattle. Those are the two main points.

That provision in the amendment makes a vast difference in the amount

of feed a farmer can produce for consumption on his own farm.

Mr. MILLER. I say to my good friend from North Carolina that I do not have too much difficulty with that point. However, when I heard the colloquy between the Senator and my friend from Minnesota [Mr. HUMPHREY], which indicated to me that we might be opening up a program under which the Secretary of Agriculture would have unbridled discretion to reduce production which normally would occur in the State of Minnesota or in the State of Iowa, and to permit some other area, at his discretion, to make up the difference, I began to wonder about it.

Mr. HUMPHREY. Madam President, will the Senator yield, to permit me to make a comment on this point?

Mr. JORDAN. I yield.

Mr. HUMPHREY. I know the Senator does not wish to misinterpret my remarks. We have a sufficient amount of trouble trying to explain a complicated piece of legislation, without becoming involved in an unnecessary misunderstanding.

Under no circumstances would the Secretary alter the 1959-60 base. I believe that is correct.

Mr. JORDAN. That is correct.

Mr. HUMPHREY. There is a provision in the amendment, in section 360k, as follows:

Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm.

Mr. JORDAN. That refers to 1959-60.

Mr. HUMPHREY. That is included in the act.

Mr. JORDAN. That is included in the act. The Secretary could not go above the 1959-60 farm base acreage. If the amendment were not agreed to, the Secretary could cut the acreage 10 percent, 12 percent, or whatever might be applicable, across the board.

Mr. HUMPHREY. It is a safety valve.

Mr. JORDAN. It is a safety valve, as the Senator has pointed out, in which the quota of 1959-60 is the average.

Mr. HUMPHREY. I recognize that the Senator from Iowa has a legitimate concern. Coming from a corn and feed grain producing area, I would have one, too. His question is, If there were to be some exemptions and exceptions given to an area such as North Carolina, would such exceptions cut into business in our part of the country? Would we in turn be required to compensate? The answer is "No"; we would not have to compensate.

Mr. JORDAN. The Senator is entirely correct.

Mr. MILLER. I should like to ask the Senator from Minnesota whether or not there is a possibility of cutting into our business under the provision for commercial areas.

Mr. HUMPHREY. No; it is my understanding that there is no such possibility.

Mr. JORDAN. No authority is provided in the bill for cutting into commercial areas.

Mr. MILLER. There may be areas that are exempted from the definition of a commercial area, may there not?

Mr. HUMPHREY. The Senator is correct.

Mr. MILLER. If that is so, do I correctly understand that the exempted areas would be called deficit areas?

Mr. JORDAN. The Secretary would have to define them as deficit areas.

Mr. HUMPHREY. Only if they were deficit areas.

Mr. JORDAN. If in the previous year they did not produce enough feed of whatever description to take care of the domestic needs of the past year, and the result was a substantial price differential.

Mr. HUMPHREY. The criteria are listed, as I pointed out, in the Ellender amendment designated "5-21-62—A." On page 24 of the amendment the definition of a deficit area is laid down explicitly.

Mr. MILLER. I wish to ask another question. I understood the Senator from Minnesota to say that the definition is explicit.

Mr. HUMPHREY. Yes.

Mr. MILLER. What concerns me is how to interpret some of the words that are in the definition. For example, the words "would result in a hardship to producers" appear. In the next line, the words "unduly increase the price of feed grains" appear. As I understand, that would be up to the length of the foot of the Secretary of Agriculture. It seems to me that we might be a little more explicit than to use such words as "hardship" and "unduly."

Mr. HUMPHREY. It is very difficult to find words that are more revealing than good judgment. By the way, it is not a section which I added to the bill, but it was added by committee members and is contained in the regular bill. If I am not mistaken, at least it was proposed and discussed in the committee.

Mr. MILLER. It is my understanding that it is not in the regular bill now.

Mr. HUMPHREY. At least I know it was discussed in the committee. I am no longer a member of the committee. I know that the deficit area concept was discussed at some length by members of the committee.

Mr. JORDAN. A great deal of discussion about that very portion of the bill took place. We tried to arrive at some provision that would not disrupt the entire national program, but would offer some relief to deficit areas such as North Carolina, South Carolina, Georgia, Florida, Louisiana, and Mississippi. Those areas are deficit areas.

I will state a specific instance. During the past year corn went to \$1.43 a bushel in North Carolina. The Secretary of Agriculture used his authority to

move grain out of Government storage into that area.

Mr. HUMPHREY. Under section 22.

Mr. JORDAN. Under section 22, under the lower freight rate provision. Grain was brought to North Carolina, bringing the price down to a price little higher, of course, but comparable to the price in the area in which the grain was produced.

Mr. HUMPHREY. In our part of the country we did not like that one bit.

Mr. JORDAN. I heard that.

Mr. HUMPHREY. The rumor got through to the Senator, I am sure. In case the Senator did not know it, I want him to know that despite my great friendship, respect, and affection for him, I protested as vigorously as I could but to no avail. That indicates the great control I have over the Department. But I believe the provision which the Senator has worked out would alleviate part of the problem. Some of us in our part of the country have felt there was discriminatory action on the part of the Commodity Credit Corporation, and also in getting a special ruling through the Interstate Commerce Commission to cut sharply freight rates for the Commodity Credit Corporation but not for our private grain trade and our cooperatives. That is what I was complaining about at the time.

That section would permit the individual farm producer, so long as he does not violate his base and so long as he is not permitted to participate in a referendum on quotas—which is another provision—to grow a certain amount of feed grain in the area if there is hardship in the area due to a deficit of feed grains. I think that is a more equitable provision than competing with a private market and using the Commodity Credit Corporation as a sort of big business operation against the rest of the agricultural economy.

Mr. MILLER. On that point, the Senator from Minnesota was joined by the Senator from Iowa in his concern about the shipment of Commodity Credit Corporation grain out of Iowa elevators into some of those areas. But at the same time I fail to understand how that would improve the situation. I see nothing in the definition of "deficit areas" which would tie down the unlimited discretion of the Secretary of Agriculture. When we speak of hardship, what is hardship in our minds may be different from what is hardship in the mind of the Secretary of Agriculture. What are normal farming practices? I defy anyone to define what a normal farming practice is so that every Senator would be satisfied.

I am also satisfied that we might nail the definition down a little more explicitly so as not to turn over unlimited discretion to the Secretary of Agriculture. That is a practical problem. I am sure that when the Senator from Minnesota and I were faced with the transfer of stocks, and we went to the Department of Agriculture to try to obtain some relief for our grain elevator people, we were told that it was just too bad. The decision had been made under the discretion which the Secretary of Agriculture

had been previously given by the Congress.

What I am concerned about is that we continue to do the same thing under the "deficit area" definition.

I hope my friend from North Carolina realizes that we want to be reasonable. I venture to say that the Senator from North Carolina and the Senator from Iowa would have no difficulty in getting together on what is a deficit area so that there would be a reasonable interpretation of that term.

Mr. HUMPHREY. That is the point.

Mr. MILLER. I must say that after some of the things that have occurred in the Department of Agriculture—and I am pleased to know that my friend from Minnesota has not always been satisfied with what has happened over there—I am not happy to turn over more discretion to the Secretary of Agriculture. I would rather see the provision tied down a little more.

Mr. JORDAN. I thoroughly agree with the Senator. A great many decisions have been made in the Department with which I was not happy. I was not happy with a decision this week about certain phases of the tobacco program. Many farmers in my State were not happy about it. But I shall be glad to discuss the question with the chairman of the committee, and if we can tie down the definition in a reasonable manner, I shall be happy to see it done.

I should like to see as many guidelines put in the bill as possible in order to make it the kind of bill I would like to have enacted. As I said in the beginning, I am not entirely satisfied with the bill, but we had to accept the best bill upon which we could agree. I think we must pass a feed grain and wheat bill this year or the entire program will go by default. It will not be too long, I am afraid.

Mr. MILLER. I recognize that the Senator from North Carolina has a problem. If I were in his position, I would be fighting to see that that problem is taken care of. He has a problem, as do the Senator from Minnesota and the Senator from Iowa, in protecting the interests of the people they represent.

Mr. JORDAN. There is no question about that.

Mr. MILLER. It seems to me that reasonable people can get together. But I think that reasonable people in the legislative branch of the Government ought to get together instead of leaving it to the discretion of those in the Department of Agriculture. That is what the Senator from Iowa is advocating.

Mr. HUMPHREY. I assure the Senator that I shall work with him. The Senator knows that our area is not a feed surplus area. The price of feed is important to the economy of our area, and even more so in the State of Iowa. Southern Minnesota and the State of Iowa have production purposes that are pretty much alike. I feel that we could tie the language down more explicitly. I assure the Senator that in the discussion tomorrow and prior to the vote on the amendment, I shall do what I can to work with the Senator from Louisiana and the Senator from North Carolina to

see if we can improve the language and lay down more definite criteria.

I believe the Senator would be interested in another amendment that I have which would circumscribe the operations of the Commodity Credit Corporation, so that it does not go springing off into the southeast and northeast and acting as though it was the business of agriculture. I will submit my amendment to the Senator from Iowa. If I can get his help, we may be successful.

Mr. JORDAN. I believe that the biggest complaint with respect to the transferring we were discussing came from the men who own the grain elevators.

Mr. HUMPHREY. Of course. Those men were losing business. It meant a great deal to them.

Mr. JORDAN. The farmer who had the product there was not getting \$1 out of it.

Mr. HUMPHREY. This problem is not insurmountable. I can understand the concern of the Senator from North Carolina. I believe that the advances which have been made in his State in the field of improved agriculture are some of the finest that have been made in the Nation. The work that has been done there can almost serve as a model of what can be done to revitalize the agricultural economy. The Senator will get my cooperation.

Mr. JORDAN. I appreciate those remarks very much. I am very glad that I can agree with him. My predecessor, former Senator Scott, when he was Commissioner of Agriculture in North Carolina, started a program of diversification. Our farmers could not live on peanuts, tobacco, and cotton. Those were the principal crops in our State. He started preaching dairying. It has moved up to the place now where we are almost self-sufficient in our dairy consumption. What we do not want to do is lose the advances that we have made thus far in the dairy and cattle production. We have made great progress in those fields. We do not want to slip back under a program under which we cannot live.

Mr. HUMPHREY. It would be very easy for any Member of the Senate to plead the cause of his own particular area. For example, for many years Minnesota has been a feed grain producing State. It has been one of the largest producers of barley, rye, oats, and corn. However, some big changes have been taking place. Soybeans are becoming one of the big cash crops. Poultry and turkey production is becoming as big an industry as feed grain production, or if not bigger.

That is the point I have been trying to make in the message I gave the Senate today. We have reached the place in agriculture where we need to take a new look at our laws relating to agriculture, because the agriculture of the 1960's is not the agriculture of the 1940's.

Mr. JORDAN. The same thing is happening in North Carolina. We are now second or third in the production of broilers.

Mr. HUMPHREY. Yes. Twenty years ago it was little or nothing in the Senator's State.

Mr. JORDAN. Commercially, it was practically nothing.

Mr. HUMPHREY. It seems to me what we have to do with respect to this problem is to provide in the program some remedial authority so that we can adjust our production and our quotas and allotments to meet the needs of a changing agricultural economy. That is why I believe some flexibility is required in the law.

While I can understand that a provision such as the Senator has referred to, relating to feed deficit areas, might seem at first glance to be detrimental to feed producing areas which have surplus production, it is not in fact detrimental. It will be successful if properly worded and administered, and will be an advantage to North Carolina and Minnesota and Iowa and every other part of the Nation.

Mr. JORDAN. There are those provisions under the Ellender proposal which I feel sure will give farmers in the Southeast plenty of elbow room for their future operations. They are the provisions dealing with silage, the provisions dealing with the small farm exemption, and the provisions dealing with the deficit area problems.

Under the present program, our feed grain production in North Carolina is about 30 percent under the 1959-60 base period. Under a mandatory program, I am sure the reduction would be far less than 20 percent of the 1959-60 base period.

I think it should be remembered that even though we know such a program as a mandatory program it is not mandatory at all unless the two-thirds of the farmers themselves vote to invoke mandatory controls.

Through the years we have developed sound and effective mandatory programs to control the production and prices of tobacco, cotton, peanuts, and rice, and I think the facts will show that well over 90 percent of the farmers producing these commodities repeatedly vote to continue the mandatory type program. The programs we have in these four basic commodities have not come to us easily, and neither will similar programs come to us easily in wheat and the feed grains, but we have reached the point where we must make a start if we have any hope of preserving any of our programs, and I think the Ellender proposals are the best possible starting point.

Madam President, North Carolina is one of the largest tobacco-producing States, if not the largest. Our peanut production is a large cash income crop in North Carolina. Cotton is a vital part of our farm economy. Those three commodities are under price control and acreage control. In my best judgment, if wheat and feed grains are not controlled in similar fashion, and we continue the terrific losses that are mounting with respect to carrying these products in storage, sooner or later the whole farm program will collapse, and with the collapse will go the controls that we have, and chaos will develop in the whole farm program.

This is not a perfect program. It does not suit me in its entirety. It does not suit my farmers in its entirety. How-

ever, so far as I can see, it is the best solution that we can make at the present time.

I hope we can pass the bill. If it can be improved by amendments, I will be glad to support them.

ADDRESSES BY THE SECRETARY OF THE TREASURY

Mr. CLARK. Madam President, I ask unanimous consent that two recent speeches by Secretary of the Treasury Douglas Dillon be included in the RECORD.

The first was presented before the American Bankers Association at Rome, Italy, on May 18, 1962. Secretary Dillon analysed the balance of payments posture of the United States. This comprehensive and illuminating coverage of the subject should be recommended reading for all of us. In the second speech given, I am happy to say, at the University of Pennsylvania on May 21, 1962, Secretary Dillon emphasized the importance of the average individual in influencing public policy.

It gives me great pleasure to present these two speeches.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS OF THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY, AT THE NINTH ANNUAL MONETARY CONFERENCE OF THE AMERICAN BANKERS ASSOCIATION, ROME, ITALY, MAY 18, 1962

I am delighted to join with you in this ninth annual monetary conference, which has brought together so many of those who, as public officials or private citizens, share responsibility for the financial policies of the free world. Our common objective of a durable international payments system, capable of supporting and nourishing economic growth and expanded trade, cannot be achieved by nations working in isolation. Lasting progress depends upon concerted action by all of our governments and by labor, business, and finance within each country. Such cooperation can flourish only in an atmosphere of frank discussion—the sort of atmosphere provided by this meeting. The opportunity which we Americans have had to meet in such pleasant surroundings with our eminent European colleagues has been most useful in giving us a clearer appreciation of our common problems. I am thankful to the American Bankers Association and to our Italian hosts for making this possible.

The free world's monetary system, as it has evolved since World War II, rests inescapably on the full acceptability of the dollar as a supplement to gold in financing world trade. No practicable alternative is in sight. This means that the dollar holdings of central banks must continue in the future as in the past, to be readily convertible into gold upon demand at the fixed price of \$35 an ounce.

It further means that all of us—every nation with a stake in a stable international financial mechanism—have a strong interest in the elimination of the lingering U.S. payments deficit.

The chief responsibility for righting that deficit rests, of course, with the United States. We recognize this responsibility, and we are prepared to do what is necessary to eliminate the deficit and to preserve the value of the dollar. But the nature of the eventual solution—and the speed with which it is reached—also depends upon the degree to which the surplus countries of Western Europe accept a complementary responsibility.

Recognition of the need for coordinated, cooperative action has been apparent in many areas over the past year. This provides solid ground for confidence as we look ahead. Nevertheless, much remains to be done. And this is nowhere more true than in one area of direct concern to everyone in this room: The arrangements for raising and distributing credit and capital in world markets. Potential investment funds are still too often dammed up behind national boundaries by legal restrictions or institutional barriers—even when any need for these restrictions has long since passed. Capital does not—as it should—flow freely from those with ample resources to the points of greatest need. Benefits and burdens often bear little relationship to current patterns of trade or to the underlying payments position of a country.

This is reflected in the fact that most governments or businesses, when raising funds outside their own country, still look to the United States as the only readily available source. Conversely, American investors, unlike those in most other countries, have both the facilities and freedom to place their funds abroad without restriction, on a basis comparable to—and sometimes even more favorable than—domestic investment.

These conditions are an anomaly in a world of convertible currencies—a world in which barriers to trade have been steadily reduced—a world characterized by American deficits and European surpluses. I am not suggesting that the United States, as the richest and most productive nation on earth, should cease to export capital. Nor do I suggest that action to free the flow of investment funds from other countries would relieve the United States of its responsibilities for vigorous and effective action in other directions to reduce its payments deficit. But progress toward a broader, more fluid international market for capital does seem to me to be an essential part of our American effort to achieve and sustain international payments equilibrium. At the same time, more effective means of mobilizing the huge potential for savings implicit in the dramatic economic expansion of Western Europe must be developed if Europe is to fulfill its hopes for continued rapid economic growth in the years ahead.

Western Europe is in a period of economic growth that can and should lead to standards of living comparable to those in the United States. But we in the United States would not have been able to achieve our present standard without the development of a capital market whose breadth and flexibility remain unparalleled. The plain fact is that Western Europe will not be able to approach the American standard of living until it develops ways and means of mobilizing its own extensive savings and capital that are fully as effective as those of the New York market. This is an area where the interests of the United States and Western Europe coincide completely. Western European economic growth will require an enormous mobilization of capital. Because of balance-of-payments realities, as well as our own competing domestic needs, the amount of capital that we will be able to furnish is simply not enough to go around. If Europe is to have adequate funds for the expansion that is now within its grasp, it must develop up-to-date mechanisms to mobilize its own capital resources—mechanisms that do not exist today in most of continental Europe.

To return to our balance of payments and to put it into proper perspective, let me review the broad strategy that lies behind all of our efforts to restore a balance in our international accounts.

As you know, spending for the defense and economic support of the free world imposes a uniquely heavy burden on the U.S. balance of payments. The annual dollar cost

of our defense expenditures overseas has been roughly \$3 billion in recent years, substantially more than our average basic payments deficit. I would like to emphasize that the \$3 billion figure is the balance-of-payments impact—not the budgetary cost to the United States, which is several times higher.

Approximately \$2 billion of this is spent in NATO countries. Our dollar costs for defense are heaviest in Germany, where they amount to about \$700 million a year. In France, they are more than \$300 million per year; in the United Kingdom about \$250 million, and in Italy, about \$100 million.

These expenditures represent the dollar cost of maintaining U.S. forces overseas, and the heavy expenditures in NATO countries result from the fact that our largest overseas troop deployments are here in the NATO area.

There can be no doubt of the necessity to maintain large U.S. forces overseas for our own security, for that of our NATO allies, and for the entire free world. Nor can there be any doubt of our firm determination to meet in full our responsibilities for the defense of NATO and the free world. As President Kennedy has stated, the United States is prepared to make any sacrifice necessary for free world security. We are prepared to maintain fully effective military forces overseas—wherever necessary and for as long as needed. Even as we meet today, American troops are deploying in Thailand in response to a request for assistance by the Royal Thai Government as a result of renewed Communist aggression in Laos. But at the same time that we fulfill these military responsibilities we must exercise all prudence to insure that the adverse impact on our balance of payments is minimized.

The United States must trim all nonessential foreign exchange expenditures from its defense programs. Therefore, we are emphasizing U.S., rather than foreign, procurement. We are economizing in manpower wherever possible without loss of military strength and we are encouraging our forces to hold down the level of their personal expenditures overseas. But this can only accomplish a relatively small part of the job.

More important is our effort to work out arrangements in cooperation with our NATO allies for offsetting our defense expenditures by increasing their procurement of military equipment and services from the United States. This not only assists the U.S. balance of payments—it also strengthens the military capabilities of our allies, for we are usually in a position to produce the needed equipment faster and at less cost than it can be produced in Europe.

As a first and most important step in this effort, agreement has been reached on the establishment of a cooperative logistics system whereby the armed forces of the Federal Republic of Germany will increase the level of military procurement in the United States and will utilize American supply lines, depots and maintenance and support facilities. By this means the Federal Republic of Germany will fully offset the dollar costs of maintaining U.S. troops in Germany during 1961 and 1962. Discussions are underway, or will soon be initiated, with certain of our other NATO allies. Our objective during 1962 for total military cash receipts is approximately \$1.2 billion. I believe that we will be successful in attaining this objective.

It is our view that such military offset arrangements are both equitable and mutually beneficial. They provide a means whereby our allies can strengthen their own military forces at minimum cost and in ways that often would not otherwise be possible, while at the same time offsetting the dollar costs which we incur in maintaining our forces on their territory in the joint defense of the precious heritage of freedom. Thus, these agreements, at one and the same time,

build up both the military and economic defenses of the West.

The dimensions of the actual drain on our balance of payments from economic aid—while important—are currently much smaller than many have assumed. A sizable fraction of our \$4 billion expenditure for aid—over two-thirds in 1961—is furnished in the form of U.S. goods and services. And in terms of the funds being committed at the present time, the portion furnished by our own goods and services is even higher and is still increasing. But just as in the case of defense spending overseas, there are limits to the further dollar savings that can safely be made in this area. The needs of the developing countries are likely to rise in the years ahead, not decline. Hence, much remains to be done in sharing this burden more equitably among all the countries able to bear it. I am hopeful that continued progress can be made along those lines this year.

On balance, a realistic appraisal of actions now underway suggests that the total drain on our balance of payments from aid and defense will be reduced by something over a billion dollars a year, to a figure on the order of \$3 billion.

This means that the United States must have a continuing surplus of about \$3 billion a year in the other elements of our basic balance—trade, services, and long-term capital movements if we are to achieve a balance in this account which, as you know, does not include short-term capital flows. This is a tall order. But it is one we can, and must, achieve. Last year, when circumstances were particularly favorable for our trade account, our commercial trade surplus amounted to \$3 billion. This reflected the abnormally low imports of the first 6 months of 1961, which resulted from the slowdown in our economy. We must, however, accept this as a minimum target for the future and strive to do even better. Such a target will not be easy to achieve. But it is feasible and realistic—if we Americans continue to apply ourselves to the task with all the vigor and imagination it requires.

I will not review in detail here all the measures we have undertaken to make Americans export conscious as never before, to support industry with short-term credit insurance comparable to that available in other industrialized countries, and to provide comprehensive and speedy information on foreign markets. I am certain, however, that all of you here will see visible results from these efforts in the months and years ahead, as American businessmen move more aggressively to participate in growing world markets.

All of this effort will, of course, avail us nothing if American industry cannot or does not deliver its goods at attractive prices. Restraint on costs and stable prices must lie at the very heart of American efforts to sharpen our competitive drive in world markets.

Our overall approach to this objective is, I believe, clear: The thought that price stability depends on keeping wage rates in line with national trends in productivity is hardly new. But never before has an American administration assumed the responsibility for defining that principle in such clear terms—and never before has an American administration so carefully spelled out its implications for collective bargaining and pricing decisions. The object is simply this: To insure that labor and business alike, in weighing all the complex pressures that enter into any wage price decision, are also fully aware of the overall national interest.

The past year has seen some success in these efforts. Despite our economic recovery the very significant fact is that wholesale prices in the United States are lower today than they were a year ago. They have now remained stationary for 4 years. This price

stability has served to improve the competitive position of the United States versus our friends in Europe, reversing the trend of earlier years. We will continue to do everything in our power to see that this new trend continues. Important among our efforts is the promotion of a more favorable environment for investment. An investment tax credit, included within a broader program of tax reform now before our Congress, is a key element in our approach. And updating and simplification of outmoded depreciation guidelines to take full account of the impact of swiftly changing technology on the useful life of equipment is another. Together, these measures will provide incentives for investment in new equipment comparable to those that have long existed in other leading industrialized nations.

Monetary and debt management policies are being conducted in a manner to insure that ample funds are available, at reasonable cost, to finance new capital outlays. Fiscal policy, too, has been closely attuned to the need to encourage investment, and to avoid the sort of demand pressures that could menace price stability.

As you know, we have succeeded this year in keeping the deficit in our Federal budget far below the level of fiscal year 1959—the last similar recovery period. This has been of major assistance in our effort to forestall any significant tightening of the credit markets, with Government draining off resources and funds that might better be devoted to productive investment. For the fiscal year beginning next July, we have programmed a balanced budget on the presumption that the economy will continue to expand vigorously, approaching full employment by the end of the fiscal year.

Under such conditions, our budget would gradually, and quite properly, exert increasing restraint on demand as the year progresses. This is better illustrated by the projected surplus of \$1.8 billion in the overall cash account which, in contrast with the administrative budget, reflects all the activities of the Federal Government.

Whether or not our budget target will, in fact, be reached, cannot be foretold with certainty today. We won't know the answer until time has tested the basic assumptions that underlie the revenue estimates. But as you all know, Government receipts in the United States are very sensitive to business conditions because of the heavy reliance on the income tax. I can assure you that expenditures are being kept within the limits of the revenue estimates. I would be less than frank if I did not admit that our first quarter results were disappointing, although the shortfall was not so great that it cannot be made up in the months ahead. Certainly my own readings of the latest business news and profits figures suggest that it is still premature to conclude that we cannot attain our goal.

Whatever the precise budgetary outcome 14 months hence, the really crucial fact is that the economic effect of any particular surplus or deficit can be judged only in the context of the existing business environment. If our economy fails to sustain the momentum we anticipate, labor will remain freely available and industry will continue to operate well below capacity. Under such circumstances, experience shows that a moderate deficit would not be inflationary, just as the rather substantial deficit of the past 12 months, with manpower and goods in ample supply, has not been inflationary—and, for that matter, just as the much larger deficit in fiscal 1959 was not accompanied by any general price increase. And here I would like to say that our deficit for the current fiscal year ending on June 30 is today estimated at \$7 billion, exactly the same as our official estimates of last October and last January.

The fact that there is no automatic relationship between budgetary deficits and price inflation, or between budget deficits and the balance of payments, is brought home forcefully by a recent study comparing the budgets of the United States with those of the three largest European countries. I do not recommend it for light reading. It is a highly technical statistical exercise designed to adjust the data to a common basis so that they accurately reflect the net impact of Central Government operations. But the conclusion stands out clearly and unambiguously: Britain, France, and Germany have all been more deficit-prone than the United States. Converting European budgets to the more rigorous standards of American budget accounting, we find that Germany, for example, has had a deficit ever since defense spending became a significant portion of its budget 4 years ago, and that France has had a deficit in every year of the past decade. Moreover, the deficits of all three of these European countries have, much of the time, been considerably larger, relative to gross national product, than that of the United States.

What is one to conclude in view of the fact that two countries—France and Germany—which, using our basis of budgetary accounting, have had relatively large budgetary deficits in recent years, have also had the largest surpluses in their international accounts?

Certainly not that large deficits are the road to salvation.

We all know that the wrong deficit at the wrong time can pave the road to inflation. But, in discussing budget policy, we too often fall into the trap of forgetting that it is inflation which is the real enemy. We should always bear in mind that moderate budget deficits incurred during periods of inadequate demand and which do not exert upward pressures on price levels—are quite different in their economic effect from deficits incurred when the economy is operating at full capacity.

In this connection, the relationship of the Federal debt to the gross national product—in other words, the ability of the national economy to carry the debt burden—is also pertinent. In this area, the record of the United States has been and continues to be very good. From a situation at the end of the war when the Federal debt amounted to about 125 percent of our gross national product, the percentage has continually declined and today stands at about 53 percent. This compares with a ratio of 56 percent just 1 year ago, and a ratio of about 50 percent in 1941, before wartime expenditures sent our debt soaring. The addition of our growing State and local debt would modify these percentages only slightly. The general picture would not be changed.

Price stability—investment in modern machinery—an export-minded government and industry—these are the keys to an expanding trade surplus for the United States in the years ahead, a surplus achieved not by retreat to controls or deflation, but firmly grounded in the ability of American business to pour out into world markets new and improved products at attractive prices. Our trade surplus is already large. But it is not quite large enough to cover our commitments for defense and aid, as well as our current volume of private investment abroad. However, the needed margin is within reach—and reach it we mean to do.

The preliminary results from the first quarter of 1962 clearly show that our efforts are beginning to bear fruit. Despite an increase of \$550 million in our imports as compared to the unusually depressed level of the first quarter of 1961—an increase that is the natural reflection of our economic recovery—our overall deficit for the quarter

was just \$100 million larger than in the same quarter last year. Leaving imports aside, this represents a solid improvement of \$450 million in all the other elements of our balance of payments. Overall, these results show an improvement of a billion dollars over the deficit incurred during the fourth quarter. During the first quarter of this year our basic deficit ran at an annual rate of approximately \$1.2 billion, and our overall deficit at an annual rate of \$1.8 billion. The continuing and growing effect of our various efforts to correct our balance of payments should serve to maintain or improve these results as the year progresses.

We should not, however, center all our attention and all our efforts on our trade balance. A danger will remain so long as the United States stands virtually alone in providing a free and effective capital market, absorbing the bulk of the marginal demands for funds from other countries, surplus and deficit alike. Then the dollars saved in defense and aid, and the dollars earned in trade, could too easily be drained away in an accelerating outflow of American capital.

I am not referring to sudden and massive shifts of liquid funds in response to interest rate differentials, to speculative considerations, or to other factors. That difficult problem has already received much attention, and our mutual defenses are being strengthened. I am referring to the basic world market for long-term capital.

This long-term capital market has two major factors: direct investment and portfolio investment. It is the latter, or rather a portion of the latter, which is my chief interest today, although I will say a few words first on the subject of direct investment.

The United States has consistently favored free capital movement, the ability of individuals or companies to invest their funds where they will. There has been no change in that view. We are, however, asking our Congress to end the tax inducements to American investment in other industrialized countries, particularly the inducements which flow from the mushrooming use of so-called tax havens. The object is not to discourage capital from going abroad in search of higher gross return. That sort of investment will, in the long run, serve the investor, the United States, and the recipient country alike. We recognize that the great bulk of our foreign investment is of this type and is not tax induced. We do, however, want to make sure that our tax system does not unwittingly—and artificially—spur this outflow. We wish only to eliminate marginal foreign investment that is induced primarily by tax considerations. While there is no expectation that such action will dramatically reduce the outflow of direct investment funds from the United States, it will be of some help—and every bit counts in the effort to eliminate our payments deficit.

In the field of portfolio investment, I am not interested in the purchase of foreign equities by American investors, a process that is an essential element of free capital movement. What I am concerned with is the increasing use of the various mechanisms of the New York capital market by European borrowers to raise funds for their own internal purposes. Today, the plain fact is that underwriting and distributing facilities in the industrialized countries of continental Western Europe, are generally inadequate to meet the foreseeable needs of domestic borrowers—much less those from abroad. That is not a healthy environment for long-term domestic growth. It inevitably means higher borrowing costs and a shortage of funds for firms and industries that lack their own internal sources of capital. And, when combined with controls and restrictions on capital movements lingering on from earlier days, it has the incongruous effect of shunting to the New York market new issues from the

surplus countries, even as we in the United States are endeavoring to erase deficit.

While the current relatively favorable interest rates in the New York market are, of course, attractive to foreign borrowers, there is plenty of evidence that a large part of the current European borrowing in New York is as much a reflection of the greater and more ready availability of funds in the New York capital markets as it is of interest rates. In other words, the indications are that many of the current European borrowers would be coming to New York even if our interest rate structure were somewhat higher. They would be coming because they find it more difficult to raise the needed funds in Europe than in New York. A case in point is the current \$25 million borrowing by the European Coal and Steel Community.

This does not seem to me to be a very efficient use of the world's capital resources. The years to come will certainly see a growing demand for capital from countries which cannot be expected to develop their own capital markets. Such countries have traditionally looked to the capital markets of New York and London to raise their funds. This is a normal procedure and should continue. But it will be more difficult for these countries to meet their needs if they must compete in the New York market for necessarily limited funds with continental European borrowers who, given fully adequate European capital markets, should normally be able to find the needed funds without having to cross the Atlantic.

It is true that a large proportion of the European issues that have been publicly floated in New York have ultimately been taken up by European investors, which among other things, shows that these investors are prepared to lend their money long-term at lower rates than are currently quoted in their own capital markets. Thus, the burden on our international accounts has not been as large as it may have appeared from a simple total of the volume of new issues sold in New York. But the burden is nonetheless real. And so long as the imbalance in facilities and controls remains, so will the threat that an accelerating flow of these issues could undermine our efforts in other directions. And as long as continental Western Europe continues to operate with inadequate and outmoded capital markets it can have no solid assurance that the capital required to insure steady and rapid growth will, in fact, be available. I am glad that the OECD has now recognized the importance of this problem and has commenced to work actively in this field. We should all of us give this effort our full support.

I recognize that progress toward relaxing some of the formal controls on external capital flows is already evident in most industrialized countries. Nevertheless, residents of only a few Western European countries have freedom today to invest abroad wherever they may wish, and in whatever form they may desire. Some type of official authorization and approval is still commonplace, and outright prohibition is not infrequent. The volume of foreign bonds offered in Western European countries in recent years has, except in one or two of the smaller countries, been negligible—and in some countries, nonexistent. And, it still appears that bank funds are readily available to foreign borrowers, in substantial volume and without ties to exports, only when they are in the form of U.S. dollars.

Thus, we have a long way to go before we can be satisfied that our arrangements for raising and distributing capital within the free world are in step with our progress toward freer trade and higher standards of living. I, for one, shall be uneasy so long as virtually all the world—surplus and deficit countries alike—those capable of generating a high level of savings internally

and those operating close to subsistence levels, must look to the United States as their principal, if not only, source of marginal capital.

Progress in this area cannot come with dramatic speed. Markets have been insulated too long. The whole psychology of a generation of investors must be changed. New institutional structures must be developed. But as I look at the development of Western Europe from a distance, it seems to me that the logic of internal growth and development points in this direction.

More efficient capital markets will be essential to sustain growth, and should themselves tend to reinforce other factors that could bring about a lower level of long-term interest rates more in line with those typical of the American market. Already, some tendency in that direction has developed. In this interdependent world of ours, I would expect that tendency to continue.

I am not calling today for any radical new departures in policy. I am asking only that we willingly accept the logic of our evolving world economy, and press ahead with all our vigor to cast off those restrictions that still impede the free flow of capital, both within and between nations. This is clearly not a job for governments alone, but for banking leadership and banking statesmanship as well. I submit it as a special challenge for all of you who have a vital interest in expanded trade between nations, growth at home, a durable payments system, and a strong free enterprise economy.

REMARKS BY THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY, AT THE UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA., MAY 21, 1962

It is a pleasure to meet with you today and to join the alumni of this distinguished university. I am delighted to share in these honors with my old friend, President Houphouët-Boigny of the Republic of the Ivory Coast. He is a wise leader who has brought his people into nationhood and has made his country a beacon of hope for the future of Africa. His presence here today is a reminder that a great university knows no national boundaries, for peoples from every corner of the earth share in its work and contributes to its life.

Those of you who are departing this university to embark on your careers will find that our constantly changing world will become increasingly complex in the years ahead. I can assure you that there are vast challenges awaiting you.

Overriding all others is the military power, supported by a growing economy and a passionate ideology, of the Communist bloc. This power requires us to constantly strengthen the defenses of the free world. At the same time, the nature of nuclear weapons demands that we do all we can to lessen international tensions and to seek ways of minimizing existing frictions. We must negotiate while maintaining our preparedness for the worst. We must employ strength, patience, and diplomatic skill.

Another great challenge is presented by the growing economic strength of our European allies. While we are naturally pleased with their progress, we must recognize that we now have competition in the markets of the world such as we have not known for more than a generation. We must improve our competitive abilities so that we may earn, through our exports, enough to support both our overseas military establishments and our much-needed programs of aid to less developed countries. That is the basic reason behind President Kennedy's programs of trade expansion, of export promotion, and of tax incentives to stimulate the constant modernization of our industrial plant.

A third great challenge is represented by the yearnings of the peoples of the less-

developed world for a better life. Nearly 50 new countries have entered the family of nations in your lifetime. Their struggles and those of all the developing lands will do much to shape the pattern of the world for decades to come. The importance of the nations of Africa alone—as President Houphouët-Boigny can testify—cannot be overestimated, either during their present striving toward a better tomorrow or as a potentially major force in international affairs. In Latin America, too, there is impatience with the slow pace of advancement. Our Alliance for Progress, designed to speed development throughout the hemisphere, may—if we and our Latin partners work hard enough at it—become a model of collective aid and self-help for the entire developing world, including Africa and Asia.

These vast, complex problems are among the greatest ever faced by our country. They will not become any easier during your lifetimes. Their solution will require the best efforts of men and women trained in universities such as this. They will provide plenty for you to do.

Let us look for a moment at our domestic scene, where we have a great deal of unfinished business:

Our economy badly needs strengthening. It must grow faster in order to support our Defense Establishment, to improve our competitive position in the world's marketplaces, to meet essential needs in our own country, and to help the peoples of less fortunate nations to raise their living standards.

We cannot tolerate unemployment at present levels, not only because it entails human suffering, but because it represents unused manpower. We must speed up the growth of our economy to provide the needed jobs. We must also keep our prices stable, since inflation would seriously affect the welfare of all in our society who depend on savings, and would threaten our ability to compete in today's highly competitive world. To resist inflation, business, labor, and Government must all exercise self-restraint.

We must strive for greater efficiency by applying new methods, fresh research, and the fruits of the laboratory, to the development of a better industrial plant—and must raise the level of investment, for investment creates jobs, incomes, and consumer demand.

We must also improve the ways in which we care for the poor, the aging, and the sick. Here we can take a major step forward in the next few months by enacting legislation to assure adequate medical care for the aged through our tried and proven social security system.

Above all, our educational system needs strengthening. We need more classrooms, more and better-paid teachers, more laboratories—more educational facilities of every kind to keep pace with our expanding population. For in the last analysis, our strength lies not in machines, but in our people, who must be given maximum opportunity to develop their latent talents.

Finally, no catalog of our wants can exclude the need to improve the rights and opportunities of all our citizens. For our Nation is distinguished by our adherence to the principle of individual liberty, by the overriding importance which we attach to the individual citizen.

The vast changes taking place in our civilization have had one thing in common. They have often seemed to reduce the efforts of the individual citizen to insignificance. For this is certainly the age of the mass market, the mass media, the mass civilization. Out of this age, two great dangers have arisen—mass ignorance and mass apathy.

As the industrial era has accelerated, it has been the specialist—the market analyst, the computer systems designer, the neurosurgeon, the nuclear scientist—in short, the expert—who has become important. Experts

are indeed necessary. But with their increasing importance, we too often are tempted to say, when considering matters of public policy, "What do I know about it? I'm no expert".

I say to you that the individual, despite indications to the contrary, is more important than ever, and that the ability of our citizens to influence public policy is also more important than ever.

In our system, it is how much the ordinary citizen knows—and even more important, how much he cares—that will determine the outcome of large issues. Experts, of course are necessary, and their advice should be heard, but in the end, it is often the nonexpert who must make the decisions.

POLITICAL REALITIES AND ASSUMPTIONS

Mr. CLARK. Madam President, on several occasions during the past few months I have taken the opportunity to suggest that there was a certain amount of lack of reality in the attitude of some of us in the Senate toward pressing current, modern problems. The position which I have taken in this regard appears in far better form than I could present it myself in a column which appears in this morning's New York Times, written by the distinguished commentator James Reston, entitled "Present Political Realities and Past Assumptions."

I ask unanimous consent that the article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

PRESENT POLITICAL REALITIES AND PAST ASSUMPTIONS

(By James Reston)

WASHINGTON, May 22.—The most serious problem in Washington today—because it affects all other problems—is the gap between present political realities and past political assumptions.

In a revolutionary time, the facts change, often with bewildering rapidity, but the attitudes of the antagonists remain the same of lag behind.

This is the root of President Kennedy's difficulties, not only with the Russians and the Chinese Communists, not only with President de Gaulle, Chancellor Adenauer, and Prime Minister Macmillan, but with Roger Blough of United States Steel, George Meany of the AFL-CIO, and with the Congress, the doctors, the press, and the other prominent contestants in the major contemporary controversies.

It is even the major problem within the Kennedy administration itself, for there, as in the President's outside battles, the conflict is between those who want to act on the basis of the facts and those who cannot liberate themselves from the past and cling stubbornly to the familiar routines and arguments and policies of another time.

This was what President Kennedy was talking about—almost pleading with the leaders of business and labor to think about—in this week's economic conference at the State Department.

THE COMFORTABLE ATTITUDES

"How can we look at things as they are," the President asked, "not through party labels or through position labels, but as they are?"

It is a good question. The Russians and the Chinese know that the world has changed, even that the United States has

changed, yet they go on spouting the ideological clichés of the past about capitalist conspiracies to wipe Moscow and Peking off the map.

President de Gaulle knows all about the economic and military weakness of the national sovereign state, yet risks the movement toward European unity and Atlantic partnership by emphasizing the importance of restoring the grandeur of France.

Chancellor Adenauer sees the division of Germany more sharply than anybody else, yet argues against any American contact with the East Germans while approving day to day contact with them in his own state.

Roger Blough of United States Steel is well aware of the growing competition from foreign exporters and new products, but stumbles into an awkward controversy with the White House on the assumption that the President has no right or responsibility to concern himself with prices.

Finally, big labor, accustomed to the support of Democratic administrations in the past, ignores the changes of fact which compel the administration to concern itself with keeping wages in line with production and assumes, quite wrongly, that it can continue to count on Kennedy's support in every labor-management conflict.

It does not follow from this that Kennedy is always arguing from the realities of the present and his opposition from the outmoded assumptions of the past. The heart of his problem with the French, for example, is that he continues to have the old special relationship with Britain on atomic matters, while denying equal treatment to De Gaulle.

Also, his expenditures and attitudes today in Korea and Taiwan are not, even on the analysis of his own experts, based on present realities but on past political assumptions.

Nevertheless, he has at least recognized the important problem and begun arguing, not only to labor and management but to his own associates in the administration, for a hard pragmatic look at realities.

This will take a long time, both within the Government and its relations outside, but he has begun. "What do you think we ought to do?" he asked his visitors yesterday. "If you don't like our proposals, those of you who are in business abroad, on taxes, what are your suggestions, and what are they specifically, and not in a general way?"

Almost as soon as he had finished, most of those who followed him addressed the same audience in terms of the old assumptions. The familiar themes of big labor and big business had been written in advance and were repeated as if he had never spoken.

BALDWIN'S EXAMPLE

Yet the President has launched a new debate in the country, and urged all institutions not merely to rely on the extreme pronouncements of their spokesmen, but to make sure that their representatives are truly representative and in touch with the facts of the day.

Maybe the invitation won't be accepted, but it was a good try. This is what Stanley Baldwin did in Britain in the twenties, when, with the help of responsible leaders of business and the statesmanship of Ernest Bevin, he finally got both sides to sit on the same side of the bargaining table and consider the national interest. Before policies can be changed, attitudes must be changed, Baldwin argued, and this is about what Kennedy has been saying here this week.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm

programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MILLER. Madam President, I oppose the amendment designated "5-21-62—A," offered by the distinguished Senator from Louisiana [Mr. ELLENDER] to the farm bill, S. 3225.

The amendment would put into effect the Kennedy-Freeman plan for a controlled agriculture insofar as our feed grains farmers are concerned and would, in its ultimate effect, lead to controls over poultry and livestock production.

I find it difficult to understand why the administration persists in trying to force such a program on our farmers. All they need to do is read the results of polls taken around the country, including particularly the one recently concluded by the Farm Journal, in which 64,000 ballots were tabulated. Then they would know that farmers are overwhelmingly against compulsory quotas. In fact, the Farm Journal results show that only 4 percent of the farmers favor them.

It will not do to say that farmers will be given a referendum under such a program. Their choice is between the loss of their farms and the loss of their freedom. The Ellender amendment provides that if two-thirds of the farmers vote for the program of marketing quotas and acreage allotments, it will go into effect. If less than that number vote for them, there will be no program at all. Some wealthy farmers might survive; but surveys made at Iowa State University reveal that an abrupt abandonment of a farm program would be catastrophic to most farmers. So I repeat: this proposal gives farmers a choice between loss of their farms and loss of their freedom. It is a cruel and unjustifiable choice.

Without the Ellender amendment, there would be a continuation of the present feed grains program. This is what the bill provides. This is not satisfactory either. We know that Secretary of Agriculture Freeman has said that this program was a "smashing success," but it was not successful enough for him to recommend that it be continued.

As a matter of fact, the March 1962 issue of "Farm Income Situation," published by the Economic Research Service, U.S. Department of Agriculture, discloses that farmers just about marked time under the current feed grains programs. They received \$12.7 billion net income for 1961 compared with \$11.7 billion net income for 1960, or \$1 billion more. Of this amount, \$700 million came from increased Government payments for land retirement. This really amounted to an acceleration of income from 1962 into 1961, because without the present program farmers would have produced grain on the land they retired under the program, and the grain would not have been sold until 1962. Instead, it was merely

shifted from 1962 into 1961 and received in the form of land retirement payments. That is why the Secretary of Agriculture does not expect any improvement in farm income this year.

The President has alleged that the 1961 crop was 800 million bushels smaller than it would have been without the program. The Secretary of Agriculture has claimed that the 1961 crop was 700 million bushels smaller than it would have been without the program. Both figures are gratuitous. It is gratuitous to assume that Congress either had to pass the emergency feed grains program or do nothing. It is gratuitous to assume that if Congress did nothing, farmers would have grown feed grains on acres which they retired under the program, and that they would have had the same yield per acre as they had on the non-retired acres.

However, gratuitous or not, it is evident that the USDA budget covering feed grains will be from half a billion to \$1 billion more for the current fiscal year than for the previous fiscal year. This is probably the principal reason why the administration does not ask for a continuation of the present program.

I believe it would be infinitely better to continue the present program instead of giving farmers a choice between disaster and loss of their farms, on the one hand, and loss of their freedom, on the other. Indeed, Wallace's Farmer, in the May 5 issue, has recommended the continuation of the present program in preference to the marketing quota and acreage allotment program of the administration. Improvements in the present program are also recommended, including a requirement of participation for ACP payments, storage facility loans, and any other USDA assistance.

We could also improve and extend our land retirement program. This, of course, is the essence of the cropland adjustment plan recommended by the American Farm Bureau Federation. It should be implemented in a manner which would limit the amount of productivity that could be retired in a township, to protect the purchasing power needed in small communities, and in a manner which would protect tenant farmers. If the amount of acreage proposed in the cropland adjustment plan appears to the administration to be excessive, certainly a reasonable compromise could be worked out so that some real progress could be made toward bringing production and consumption into balance.

Madam President, in this connection, I ask unanimous consent that an editorial entitled "There's a Better Way," published in the March 1962 issue of Farm Journal, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THERE'S A BETTER WAY

The chief impression one gets from the Kennedy-Freeman farm program is that it was designed more for consumers and taxpayers than for farmers. It makes pretty good reading in cities. Toward farmers it is amazingly tough: "Take this or else."

Agriculture is in chaos and inefficient, says the President, which will be news to most farmers. Two million of them often possess too little skill and managerial ability. Agriculture is costing taxpayers an unconscionable amount, and this can't go on. Voluntary farm programs have been failures. Too many farmers don't participate, and those who do somehow always outwit the Government. Enough of this. Now, by golly, we'll put the feed grain and dairy farmers under compulsory controls, along with the farmers already there. The Government will give them a ticket, as it were, allowing them entry into the farm arena, then it will tell them how much they can farm.

The Secretary of Agriculture will pay them something for the land they retire. He will set their support prices. He will take over from Congress the determination of how many acres of certain crops we'd have, and each farmer would get his historic share. The only way a producer could grow would be to buy another farm, with quota or allotment attached. A young man trying to get started would have one more thing to buy—a quota.

Feed grain acreage would be cut back 20 percent to 25 percent below 1959-60 levels and wheat 20 percent below 1961; the Secretary says, although he could set different figures later.

There's to be a two-price plan for cotton and a three-price plan for wheat (one for domestic food, one for export, one for feed). Cotton, rice, and tobacco acreage would likely expand.

So goes the administration's thinking. All of this goes into effect if two-thirds of the farmers who vote favor such plans. If more than one-third don't approve:

Wheat and feed grains would get no supports at all. That's right, none. Never before has there been a threat to abolish supports on these crops. Dairymen would probably get supports but sharply cut. Nor is this all. The Secretary would be empowered to dump on the market, at any rate he chose, 10 million tons of CCC feed grains and 200 million bushels of wheat a year.

That's what the administration calls choices. The President says the program would give farmers maximum freedom, a claim we'll let farmers judge for themselves. He says it will increase income. Yet USDA's own estimate is that under such program farm income would go up by only \$425 per family, and that not until 1965. Do you think it's worth it? We've done better than that over the last 4 years.

Farm Journal agrees that painful adjustments have to come in feed grains and wheat. But we don't concede that compulsion is the only way, or the best way, to accomplish them. Dairy products are overproduced only 5 percent—we certainly don't need to put dairymen under Government controls to cure that. If the Secretary had not increased supports a year ago we wouldn't have even this much problem. The administration proposes retiring 50 million acres of land, and that's good provided we let farmers do it voluntarily rather than take the land by decree. Let's retire another 25 to 50 million acres of cropland and we'd have no problem. Farmers could then decide how to farm the rest. Our only "failure" with this approach has been in not going far enough.

This might cost a half billion dollars a year more than the administration's program, by the time we got done paying the large costs of administering and enforcing the latter. We favor it. We believe Congress would agree that the difference would be worth paying to avoid putting farmers under Government controls no urban citizens are being asked to accept—or would accept. That's not too much to pay to leave farming in farmers' hands.

Mr. MILLER. Madam President, the point is made that marketing quotas and acreage allotments are in effect for cotton, rice, tobacco, and peanuts, and that therefore there is no reason why the same approach should not be used for feed grains. There is a great deal of difference. Feed grains are used for the production of livestock, dairy products, and poultry. It is relatively easy to enforce marketing quotas when the products can only be sold or disposed of directly. It is another thing when such products can be fed into livestock and poultry. Enforcement problems in this area would be tremendous, although if the idea is to relieve unemployment by hiring more Federal employees, the proposal would contribute in that respect.

As was pointed out in my colloquy with the distinguished junior Senator from North Carolina [Mr. JORDAN], such nebulous terms as "normal farming practices" and "hardship" are left to the complete discretion of the Secretary of Agriculture for definition.

The proposal contained in the Ellender amendment to permit the establishment of a commercial area leaves complete discretion in the Secretary of Agriculture both to define the commercial area and to determine whether or not one should be established. The effect of establishing a commercial area would be to grant an exemption to producers located outside this area, thus encouraging the expansion of noncommercial production at the expense of those in the commercial area.

I might point out that legislation authorizing marketing quotas for corn was on the books from 1938 to 1954. During this time, five different Secretaries of Agriculture, representing both political parties, refused to put them into effect. Finally, the authority was repealed in 1954 because it had not been used and was recognized to be impractical to administer and contrary to the wishes of the vast majority of farmers.

In conclusion, title V of the bill provides for the establishment of an Agricultural Research and Industrial Use Administration. Properly funded and administered, this holds promise of long-term results that can be highly beneficial in helping to bring production and consumption into balance. I hope that this title will be left in the bill and that a substantial appropriation will be made for this activity. I note that in the proposed budget for the fiscal year ending June 30, 1963, some \$170 million is allocated to Agricultural Research Service, but it does not appear that any portion of the expenditure would be applied to intensive efforts to develop industrial uses for agricultural products.

Mr. DWORSHAK. Madam President, in the debate on the farm bill, S. 3225, it has become fairly apparent that efforts are currently being made by the Department of Agriculture to place rigid controls on American agriculture. The Senate Committee on Agriculture has met this challenge and has endeavored to draft legislation which will stabilize the industry and prevent trends which ultimately will prove disastrous.

It is reassuring to note that this bill does not have as many rigid controls for most of the agricultural industry as did the original Freeman bill, which had the support of the administration. Farmers in my own State believe that the least possible controls will offer the best answer to balancing our agricultural production to requirements.

During the past year there has been considerable apprehension in Idaho over proposals to impose marketing and acreage controls on potatoes.

Last fall, when the potato industry faced many marketing problems and depressed prices, the National Potato Council requested the appointment of a National Potato Advisory Committee to make recommendations to the Secretary of Agriculture concerning whether a national marketing agreement and order regulating the handling of potatoes would tend to effectuate the declared policy of the act.

Assistant Secretary Ralph, who no longer is in the Department, acted as Chairman of the Advisory Committee which drafted a proposed marketing agreement and order regulating the handling of potatoes, and requested hearings thereon in various parts of the country. The hearings were on marketing orders promulgated by the Department of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937, and the proposed order was printed in the Federal Register under date of February 15, 1962.

The hearings were designed for the purpose of receiving evidence with respect to the economic and marketing conditions which related to the provisions of the proposed marketing agreement. These hearings were held in New York, Toledo, Minneapolis, Pocatello, Bakersfield, Amarillo, and Atlanta. The testimony at the Idaho hearing very clearly reflected widespread opposition to the use of marketing agreements and orders.

When the final hearing was recessed at Atlanta, Ga., on April 21, 1962, the hearing examiner announced that the hearings would be reconvened at a time and place to be announced later.

It was reported last month in some Idaho newspapers that Secretary Freeman would ask the National Potato Advisory Committee to reconsider its previous recommendation in support of the marketing order and the possible inclusion of quantity marketing controls. However, when I checked with the Office of the Secretary of Agriculture, I could not verify this report; and I was advised that there was no plan to request the Advisory Committee to reconsider its previous recommendations.

I was also advised by the Secretary's office that the hearings are expected to be reconvened, so that the testimony can be carefully evaluated. It is also obvious that with the recessing of the hearings at Atlanta in April, it would not be possible to formulate any policies which might affect the 1962 potato crop. It would be late this year if the hearings were resumed and decisions made based upon the findings, and a referendum ordered. What actually is taking place

is that there is no plan for any action by the Department of Agriculture during this interim, when so many other political and personnel problems are pending in the Department.

It is interesting to note that in February 1962, the U.S. Department of Agriculture drafted a statement containing 50 questions and answers dealing with the proposed potato marketing agreement and order which had just been announced. Many of those statements were distributed throughout Idaho and, I presume, throughout other potato-producing States. I ask unanimous consent to have inserted in my remarks at this point this official statement by the Department of Agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON PROPOSED POTATO MARKETING AGREEMENT AND ORDER

1. Question. Why has a national marketing order been proposed for the potato industry by the Potato Advisory Committee?

Answer. Because the Committee thought the economic tools for market stabilization included in enabling legislation for marketing orders provide a means for the industry to bring supply more in line with demand, and to offer a way to both increase and stabilize producer income.

2. Question. Is this the only approach recommended to the Secretary of Agriculture by the Committee to resolve what industry leaders consider a critical problem of overproduction?

Answer. No. The proposed national marketing order is one portion of a three-part program recommended by the National Advisory Committee. The other suggestions were that legislation be asked from the Congress for national acreage allotments and for producer marketing quotas.

3. Question. Is legislation needed for a national marketing order?

Answer. No. The Marketing Agreement Act of 1937, as amended, gives authorization for marketing orders for various vegetables, including potatoes. There are nine regional marketing orders for potatoes at the present time, with six of them active.

4. Question. Would a national marketing order affect the regional orders?

Answer. The effect of a national marketing order on the regional orders will depend on the nature of provisions which may be incorporated in a national order on the basis of the hearing record.

5. Question. What general provisions for market stabilization are proposed in the potato marketing order?

Answer. Regulations could be issued for volume control; for grade, size, quality and maturity (by varieties, regions or outlets) standards; for container standards; for labeling standards, and for inspection.

6. Question. What other provisions are proposed?

Answer. A provision is included to establish marketing research and development projects designed to assist, improve or promote the marketing, distribution and consumption of the potatoes.

7. Question. Is there a cull regulation proposed?

Answer. Yes. A national cull regulation of U.S. No. 2, 1½ inch, is proposed on all potatoes for fresh market use, except that U.S. No. 2, size C, may be handled in some circumstances. A further regulation is proposed that potatoes contracted before planting, and intended for processing, would meet a U.S. No. 2 processing grade: 1½-inch minimum. Exceptions to the national cull regulation could be authorized by the administering agency.

8. Question. Who would administer the proposed marketing order?

Answer. The marketing order would be administered by the National Potato Administrative Board, assisted by seasonal committees representing the various seasonal marketing groups. In addition, the Board would be advised by special committees representing such groups as chippers, processors, and shippers, and by a National Potato Committee composed of members of the seasonal and special committees.

9. Question. Would the Board, or any of the committees, issue regulations?

Answer. No. By law, final authority and responsibility in issuing and carrying out provisions of a marketing order rests with the Secretary of Agriculture. Recommendations would be made to the Secretary by the national board for application of any or all regulations provided for in the marketing order.

10. Question. Why does this authority have to be vested in the Secretary of Agriculture?

Answer. The Agricultural Marketing Agreement Act of 1937, as amended, in authorizing the use of marketing orders at the request of and for the benefit of producers, provides for the use of a substantial regulatory power, and its application to one segment of the industry (handlers) for the benefit of another segment of the industry (producers). The marketing orders authorized are unique in these respects, and particularly because the persons to be benefited are given the opportunity to participate in a substantial way in administering programs which carry an exemption from the Antitrust laws. Congress provided for protection of the public interest, including that of the consumer, by placing responsibility on a Government official, the Secretary of Agriculture, for exercising general supervisory authority over the board or committee administering an order.

11. Question. How would the National Potato Administrative Board in the proposed marketing order be made up?

Answer. The initial Administrative Board would be made up of 46 members selected from all commercial potato production areas. All members must be producers, except those members representing processors, chippers, and shippers. The initial Board would give consideration to areas and seasons (1) for producers; (2) to Idaho for processors; (3) to Maine for shippers, and (4) for chippers.

12. Question. Are there any other administrative agencies proposed in the marketing order?

Answer. Yes. It is proposed that seasonal committees, special committees, and a National Potato Committee be established upon recommendation of the Board and approval by the Secretary. At least three-fourths of the membership of each seasonal committee would have to be producers. Seasonal committees would be established for the winter and early spring group; the late spring group; the early summer group; the later summer group, and the fall group. Special committees would be established for the processor group, the shipper group, and chipper-chip industry. For the special committees, at least three-fourths of their membership would be composed of persons in the industry represented, with not less than two producer members also serving. The proposed National Potato Committee, to advise the Administrative Board, would be made up of members of the seasonal and special committees.

13. Question. What is the proposed term of office for members of the Board and of the committees?

Answer. Three years, the term to begin and end on dates recommended by the Board and approved by the Secretary. Terms would be arranged so about one-third of each agency's membership would terminate each year.

Board members would not succeed themselves, except members of the initial Board could serve on the next succeeding Board.

14. Question. What would constitute a quorum for voting purposes for the Board or committees?

Answer. A majority of each. At assembled meetings all votes would be cast in person and a majority of those present would be necessary to pass any motion or approve any action.

15. Question. In event of a market or supply emergency, is there consideration for action by the Board or committees other than by called meeting?

Answer. Yes. It is proposed that agencies may meet by telephone, telegraph, or other means of communication, and any vote cast, confirmed in writing, would be valid. Approval by three-fourths of all members voting would be required to approve any action.

16. Question. Would any regulatory provisions issued apply to all segments of the industry?

Answer. No, only to the handler. The producer is not regulated in his production, and a retailer is not bound by the order in his capacity as a retailer. Regulations would be reflected on the producer, however, by the limitations placed upon the volume; or grade, size, quality or pack, that may be handled in any or all regions.

17. Question. What "potatoes" would be regulated by the marketing order?

Answer. All varieties of Irish potatoes.

18. Question. Who would be a potato handler?

Answer. A "handler" is synonymous with "shipper" and means any person, except a common or contract carrier of potatoes owned by another person, who handles potatoes. Handling would mean to purchase, acquire, package, transport, sell, or in any way to place potatoes in the current of commerce, or so as to directly burden, obstruct or affect the current of commerce.

19. Question. Who would be a producer of potatoes?

Answer. Any person producing in excess of 2 acres of potatoes for market.

20. Question. When would regulations for market stabilization be issued?

Answer. The handling of potatoes could be limited by regulations issued by the Secretary upon recommendation by the Board when he found they would tend to effectuate the declared policy of the enabling legislation. Regulations, when issued, would recognize the major types of market outlets for raw potatoes and would distinguish between the outlets.

21. Question. What provisions could be included in regulations issued for potatoes for the fresh market?

Answer. Regulations could limit the handling of particular grades, sizes, qualities or packs, of any or all varieties of potatoes during any period. The regulations could limit in the same manner for different portions of the Nation, for different outlets, for different containers, or for any combination of these. Regulations could require that containers be labeled to show the grade, name, and address of the handler responsible for the grade of potatoes in the container, and identification of the State or area where the potatoes were grown. Regulations could fix the size, capacity, weight, dimensions, or pack of any container (or containers) used in handling potatoes, and these could be different for different varieties and different outlets.

22. Question. Could other regulations be issued for potatoes handled for the fresh market and for food processing?

Answer. Yes. Regulations could fix the total quantity of potatoes which could be handled during any season or crop year by all handlers. This would be done by allotting, or providing the methods for allot-

ting, the amount of potatoes (or any grade, size, or quantity thereof) which handlers could purchase from (or handle on behalf of) any and all producers during any season or crop year.

23. Question. Could these regulations be issued for different quantities established separately for different seasons and portions of the country?

Answer. Yes.

24. Question. Would the allotments apply by seasons or periods?

Answer. Yes, for the winter and early spring, the late spring, the early summer and the late summer seasonal groups. For the fall seasonal group, volume regulations may not be used that require handling during any specific period.

25. Question. Would volume regulations apply to potatoes for food processing? (Enabling legislation does not authorize regulation of handling of potatoes for canning or freezing.)

Answer. Yes, but marketing could be limited only by seasonal total.

26. Question. If volume regulations were used, how would they be applied?

Answer. By allotting the amounts of potatoes which handlers could purchase from any or all growers in any or all portions of the country during any designated period.

27. Question. How would the amount of potatoes sold by any or all producers be determined?

Answer. The initial base period for producers would be 1959, 1960, and 1961. The highest 2 years would be used in determining producers' respective participating bases. After 1962, the base period would be the average of the production of the best 2 of the 3 years immediately preceding the year for which volume regulation were contemplated, excluding 1962 from each base period.

28. Question. Could volume regulations be based upon the quantity, established prior to a marketing season, that would be considered necessary to meet market requirements?

Answer. Yes.

29. Question. Could volume regulations be based upon a percentage of the current quantities available during any marketing period?

Answer. Yes.

30. Question. Would each producer be expected to gear his marketing of potatoes to those quantities established as needed for a particular period?

Answer. Yes. There would be an established allotment for the period fixing the amount that handlers could acquire from the producer for shipment to market. When volume regulations would be applied, each producer would have a participating base. This base would be fixed on the amounts sold in a prior representative period, or upon the current quantity he held available for sale. Dependent upon the marketing policy announced by the Board, the quantity of the producer's potatoes that handlers could acquire would be a percentage of his base—either higher or lower than the base.

31. Question. How does a producer participate in the amount allowed to be handled under volume regulations?

Answer. The producer submits a written application to the Board for a participating base under the volume regulations. Forms would be prescribed by the seasonal committee. Time of filing the application would be announced, with due consideration to the planting and harvesttime for potatoes in each area, for each season, so that producers would have opportunity to plan and manage production relating to the allotments.

32. Question. How would a producer know the quantity of potatoes that he could market under volume regulations based upon past marketings?

Answer. The Board would establish methods for determining the amount of potatoes

sold by each producer during the base period and for fixing a participating base for each producer. The Board would then establish a percentage of producer's allotment bases that could be handled during the season in question, and notify producers of their base and percentage that could be handled.

33. Question. How would a producer's participating base be established if volume regulations were announced on current quantities available?

Answer. Each producer's participating base would be his proportion (based on estimates of his currently available supplies) of the total current amounts available by all producers during the specific week, month, or other period of regulation.

34. Question. When the quantity of potatoes to be marketed during any season, or portion of a season, is limited by allotting the amounts which handlers may purchase from producers, how would the allotments be established?

Answer. They could be established by the following methods (or a combination of them): (1) when allotments are based on amounts sold by producers in a base period, the Board would determine the total of all producers' participating bases, and recommend the percentage of that total necessary to provide an adequate supply of potatoes. The allotment applicable to each producer would be fixed by multiplying his participating base by the announced percentage. (2) When allotments would be based on current quantities available for sale by producers during a specified period, the Board would determine the quantities available for sale during the period of regulation and recommend the total amount of potatoes which handlers could purchase or handle. The quantity of potatoes which could be handled during the period would be fixed and the percentage of the total amounts available which could be purchased by handlers from producers would then be established. Each producer's allotment would be established by multiplying the total amount of allotments by the producer's respective proportion of all participating bases.

35. Question. When could the producer know the allotment applicable to him?

Answer. The Board would give evidence to each producer of the allotment, as issued on a historical base, prior to normal planting time. For allotments based on current quantities available, evidence would be given to the producer as soon as practicable. The evidence would be in the form of certificates to market, or other practical means of identification of individual producers and the respective allotments.

36. Question. What would be the purpose of the certificates?

Answer. No handler could purchase from producers, or handle, any potatoes unless they were identified as within the producer's allotment, and each handler would have to record his purchases, or other handling, on the producer's certificates.

37. Question. Could regulations under the order relating to handling for specified purposes be modified, suspended or terminated by the Secretary of Agriculture?

Answer. Yes, when he deemed it necessary to facilitate shipments of potatoes for purposes specified in the proposed marketing order, and when he found it would tend to effectuate the declared policy of the enabling legislation. Purposes included are for grading, storage or planting within local areas under established safeguards; for export; for manufacture or conversion into starch, flour, alcohol, and other specified products; charitable purposes; livestock feed, and other purposes which may be approved.

38. Question. When shipments of potatoes are regulated, may inspection and certification be required?

Answer. Yes. Regulations may be issued to the effect that no handler would be able to ship potatoes unless each shipment were inspected and certified by an authorized representative of the Federal or Federal-State Inspection Service, or any other inspection service as designated.

39. Question. Could inspection requirements be different between handling at shipping point and handling in receiving markets?

Answer. Yes.

40. Question. Could a handler, where inspection is required, ship potatoes after they have been regraded, resorted, repacked, or in any other way further prepared for market and still use the initial certification?

Answer. No. Regarding, resorting, or repacking any lot of potatoes would invalidate prior inspection certificates. If such were done, each shipment would have to have new inspection.

41. Question. Could inspection regulations be waived?

Answer. Yes, under certain circumstances, and when recommended by the Board and approved by the Secretary. These would include potatoes handled for special purposes (see question 37) on minimum quantities less than customary commercial transactions, and when it was decided that inspection would no longer tend to effectuate the declared policy of the enabling legislation.

42. Question. Would any further certification be required on shipments?

Answer. Yes. The handler would have to certify with his manifest that the potatoes handled by him met the requirements of the marketing order at the time of acquisition for processing potatoes (other than chips), and also at the time of shipment of potatoes for processing, for chipping, or shipment to fresh market.

43. Question. Are any exemptions to provisions of the proposed marketing order provided?

Answer. Yes. Exemptions in special circumstances are provided for both producer and handler. Any producer whose potatoes have been lost or damaged by acts beyond his control (disease, weather, etc.) and who would suffer hardship by being prevented from shipping during the season (or a portion of the season) as large a proportion of his crop as the average percentage shipped by all producers in his immediate area of production, could apply to the Board or seasonal committee for exemptions to the regulations. Any handler who had storage holdings of ungraded potatoes acquired during or immediately following the harvesting season that were lost or damaged by acts beyond the handler's control and who was prevented from shipping as large a proportion of his storage holdings of potatoes as the average proportion shipped by all handlers in his immediate area, could apply to the Board or seasonal committees for exemptions.

44. Question. Does the producer or handler apply for exemption to the Board or seasonal committee?

Answer. Either. The Board or committee, if the applicant's claims are justified, could issue a certificate of exemption which would permit the recipient of the certificate to ship the potatoes.

45. Question. Are records required to be kept by the Board, the committees, and all handlers?

Answer. Yes. Records to be maintained are listed in the proposed order.

46. Question. How would expenses be paid for administration of the proposed marketing order?

Answer. After the beginning of each fiscal period, the Board would prepare an estimated budget of income and expenditures for all administrative agencies necessary for the administration of the order. The budget

would be presented to the Secretary of Agriculture, with an accompanying report showing the basis for calculations. To meet proposed expenditures, the Board could recommend a uniform rate of assessment which could not exceed one-half cent per hundredweight of potatoes (except upon recommendation of the National Potato Committee, but in no event could the maximum exceed 1 cent per hundredweight). Provision is included also to adjust the maximum rate in the proportion of which the index of prices farmers pay as of October 15, 1962. Handlers would share expenses upon a pro rata basis for each fiscal period. Each handler's share would be proportionate to the ratio between the total quantity of potatoes handled by him as the first handler during a fiscal period and the total quantity of potatoes handled by all handlers (as first handlers) during that fiscal period.

47. Question. What if there is an excess of funds at the end of a fiscal period after expenses are met?

Answer. The Board could establish a reserve, with the total held not to exceed approximately one fiscal period's operational expenses; or each person entitled to a proportionate refund could be credited with the refund against the operation of the following fiscal period, or if a person entitled to refund demands repayment it would be paid to him.

48. Question. When could the Secretary of Agriculture terminate the proposed marketing order?

Answer. The marketing order could be terminated by the Secretary at the end of a current marketing period whenever more than 50 percent of the producers, who produced during a representative period more than 50 percent of the volume of potatoes, requested a termination. The order could also be terminated, or suspended, when the Secretary found it obstructed or no longer tended to achieve the declared policy of the enabling legislation. The proposed marketing order also has provision that the Secretary shall, during the third year after issuance and prior to December 10 of that year (if issued), conduct a referendum to find out whether continuance of the order were favored by producers. Such a referendum would be held prior to December 10 of each succeeding year. If less than two-thirds of those voting approve continuance of the marketing order, then grade, size, quality, maturity, and volume regulations would be suspended.

49. Question. Can the proposed marketing order be amended?

Answer. Yes, under the same procedure involving public hearing and producer approval as applies to original issuance of orders.

50. Question. If a provision of the proposed marketing order is declared invalid, would the remainder of the order be invalid?

Answer. No.

Mr. DWORSHAK. Madam President, the second development which accurately reflects the trend toward drastic controls of the potato industry occurred on March 22, 1962, when the Senator from Maine [Mr. MUSKIE] introduced, on behalf of himself and several other Senators, as cosponsors, S. 3050, a bill to amend the Agricultural Adjustment Act of 1938, to provide for marketing quotas on Irish potatoes, through establishment of acreage allotments.

Senate bill 3050 contains 24 pages of intricate descriptions of various phases of potato production and marketing. The key provision provides for a national marketing quota. The Secretary is authorized to proclaim a national market-

ing quota applicable to the crop of potatoes produced for marketing in any year when he determines that the total supply of potatoes for the next marketing year will, in the absence of a national marketing quota, be likely to exceed the normal supply of potatoes for such marketing year. Another section of this bill provides for a national acreage allotment. The national marketing quota for any marketing year shall be converted to a national acreage allotment from the crop of potatoes produced for market in such year; and the bill gives the Secretary complete authority and jurisdiction to administer the program, and also to make acreage allotments for the farms in each county.

Senate bill 3050 contains a section on "compliance," reading as follows:

Whenever farm marketing quotas are in effect for any crop of potatoes, the producers on the farm shall be subject to a penalty on the farm marketing excess at a rate equal to \$3 per hundredweight of potatoes.

Any potatogrower who might inadvertently violate the acreage allotments would face the penalty of having his entire crop of potatoes made subject to a lien in favor of the United States, for the amount of the penalty.

The Senator from Maine [Mr. MUSKIE] inserted the text of S. 3050 in the CONGRESSIONAL RECORD of March 22, 1962; and at that time the Senator said:

The bill which I am introducing today is part of a two-pronged attack on the very serious economic problems confronting the potato industry. This approach is the result of recommendations by the National Potato Advisory Committee, a 29-member group drawn from all segments of the potato industry and all areas of the country. The

fact that the industry has reached a substantial agreement on a national potato program is a remarkable achievement in and of itself.

I want to take this opportunity to commend Secretary of Agriculture Freeman for establishing the committee and the potato industry for its cooperation in working out a proposal for the potato economy. I am proud of the role my State's representatives have played in its deliberations.

After the Senator from Maine referred to the expansion of the marketing agreement program, he said:

The second part of the program involves supply management through acreage allotments if approved by farmers in a referendum. The bill which I have introduced today is the supply management part of the package.

Although Senate bill 3050 was introduced 2 months ago, apparently the Department of Agriculture has made no official report on this proposed legislation. I am not advised when hearings will be held by the Senate Committee on Agriculture. Because there has been a tremendous increase in the production of potatoes in Idaho during the past few years, I have endeavored to provide factual information on these developments which could seriously curtail acreages. I am confident that Idaho potatogrowers and their spokesmen are eager to stabilize this industry, but not at the expense of accepting acreage and marketing controls to be administered by the Department of Agriculture.

During the consideration of and the debate on the pending farm bill, it is all too evident that the basic trend is toward complete Federal domination of agriculture. Insofar as potatoes are concerned, there may be an armistice in

effect during this election year of 1962. However, it is abundantly clear that determined efforts are being made to place the potato industry under drastic controls in the production year 1963. I am sure Idaho growers do not favor this program.

LEGISLATIVE PROGRAM

Mr. HUMPHREY. Madam President, immediately after the Senate convenes at 10 a.m. tomorrow, I shall ask unanimous consent that the Senator from Massachusetts [Mr. SMITH] be recognized to address the Senate for whatever period of time he may choose, but not to exceed 1 hour and 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. HUMPHREY. Madam President, under the order previously entered, I move that the Senate now adjourn until tomorrow, at 10 o'clock a.m.

The motion was agreed to; and (at 6 o'clock and 7 minutes p.m.) the Senate adjourned, under the order previously entered until tomorrow, Thursday, May 24, 1962, at 10 o'clock a.m.

NOMINATION

Executive nomination received by the Senate May 23, 1962:

COLLECTOR OF CUSTOMS

Paul E. McNamara, of New York, to be collector of customs for customs collection district No. 8, with headquarters at Rochester, N.Y.

House of Representatives

WEDNESDAY, MAY 23, 1962

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer: Psalm 73: 24: *Thou shalt guide me with Thy counsel, and afterward receive me to glory.*

Eternal God, our Father, during this day wilt Thou give us Thy divine inspiration and guidance, touching our hearts with noble desires and teaching our minds to make Thy wiser will our own.

Help us to see and understand that if our present and future days are to be radiant and triumphant then we must cultivate the larger life of faith in Thee and of obedience to Thy leading.

Endow us with a greater wisdom and skill in discovering and developing those glorious affinities and possibilities which are resident in the soul of mankind everywhere.

May we be partners in the building of a world where truth and righteousness shall reign supremely, and love and peace shall be victorious over hatred and strife.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 149. Joint resolution authorizing the President of the United States to designate the week of June 25, 1962, as "International Castings Week."

CORRECTION OF ROLL CALL

Mr. BYRNE of Pennsylvania. Mr. Speaker, on rollcall No. 91 I am recorded as being absent. I was present and answered to my name and ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PLANNERS OF KENNEDY TRADE PROGRAM WOULD PROFIT FROM READING WASHINGTON'S FAREWELL ADDRESS

(Mr. BETTS asked and was given permission to address the House for 1 min-

ute and to revise and extend his remarks.)

Mr. BETTS. Mr. Speaker, on April 24 and 25, 1962, the State Department conducted a regional briefing conference at Toledo, Ohio. During a workshop discussion of the Kennedy trade program in connection with the conference, one of the State Department representatives said that U.S. businessmen should "stop living in the shadow of Washington's Farewell Address."

One of the Toledo television stations broadcast this statement as part of its news report on the evening of April 25. I wrote the station and asked for verification and also the name of the person who made it. The reply to my letter confirmed the statement but said that the rules of the "workshop permitted newsmen to quote comments made by the briefer but not to identify him by name."

On May 7, 1962, I wrote Assistant Secretary of State Frederick G. Dutton asking his consent to secure the name of the briefer. To date I have received no reply.

All of these facts lead me to make three observations:

First. The Kennedy trade program as originally planned was based on a complete departure from firmly established principles such as those enunciated by President Washington in his Farewell Address.

Second. The conferences of the State Department ought not to be clouded with secrecy. True, the meetings were open to the public. But those of us who could not attend ought to know who said what.

Third. To abandon the principles of Washington's Farewell Address is difficult to rationalize with the custom of reading it in the House of Representatives every February 22. If we follow the reasoning of the State Department, we should give up the practice. However, in my opinion I feel we should continue it and it might be well to require the policymakers of the State Department to sit in the front row of the gallery and listen to it.

CALL OF THE HOUSE

Mr. ASPINALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Addonizio
Alexander
Alford
Andrews
Ashmore
Avery
Baring
Bass, N.H.
Bennett, Mich.
Blatnik
Boykin
Brewster
Bromwell
Buckley
Cahill
Celler
Chelf
Chipchfield
Corman
Curtis, Mass.
Dowdy
Elliott
Fenton
Fisher

Flood
Fogarty
Gonzalez
Grant
Gray
Green, Oreg.
Hall
Halpern
Harrison, Va.
Hébert
Henderson
Hoffman, Mich.
Huddleston
Jones, Ala.
Kearns
Kilburn
Kitchin
Kornegay
Landrum
McMillan
Mason
Merrow
Milliken
Moulder

Murray
Passman
Peterson
Powell
Rains
Reifel
Riley
Roberts, Ala.
Rostenkowski
Rousselot
Saund
Scherer
Scott
Shelley
Sheppard
Short
Smith, Miss.
Stratton
Stubblefield
Watts
Whitten
Wickersham
Wilson, Calif.
Yates

The SPEAKER. On this rollcall, 362 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONSTRUCTION OF NAVAJO INDIAN IRRIGATION PROJECT

Mr. ROGERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7596) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7596, with Mr. Bass of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the unanimous-consent agreement of yesterday, the bill was considered as having been read and opened for amendment section by section, beginning with section 1.

Mr. ROGERS of Texas. Mr. Chairman, I ask unanimous consent that the bill H.R. 7596 be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOSMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOSMER: Add the following new section 13(d) following line 3, page 17:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued May 25, 1962
For actions of May 24, 1962
87th-2d, No. 83

CONTENTS

Adjournment.....12	Forestry.....2	Ryukyu Islands.....5
Appropriations.....21	Health insurance.....20	School lunch.....11
Civil defense.....8	Lands.....14	Small business.....28
Dairy.....13	Legislative program.....11	Soil conservation.....15
Education.....6,27	Lumber.....2	Sugar.....1
Employment.....30	Parkway.....23	Surplus food.....22
Farm program....3,13,16,25	Personnel.....7,29,30	Territories.....5
Feed grains.....13	Public works.....17,21	Transportation.....18
Fisheries.....19	Reclamation.....4	Vehicles.....29
Foreign aid.....9,24	Recreation.....14	Water.....4
Foreign trade.....10,26	Research.....30	Wheat.....13

HIGHLIGHTS: Senate debated farm bill. House committee agreed to oppose certain provisions of proposed sugar bill.

HOUSE

1. SUGAR. The "Daily Digest" states that the Agriculture Committee "in executive session, unanimously agreed that it was the sense of the committee that the final bill should contain no provisions for global quotas, or for the recapture of premiums, and that the 375,000 tons of Cuban refined sugar must come in as raw sugar." p. D406
2. LUMBER. Several Representatives discussed the economic plight of the lumber industry. Rep. Curtis, Mo., said, "I think it is abundantly clear that there is no question of the need for relief in this industry, and there is no question about the urgency of this need." pp. 8454-8
3. FARM PROGRAM. Rep. Latta criticized Secretary Freeman for refusing to provide a Texas grand jury with the report on Estes made by Marshall prior to his mysterious death last July. Rep. Latta criticized the Justice Department for failing to fully investigate Marshall's death. pp. 8450-1
4. RECLAMATION; WATER. Passed as reported S. J. Res. 151, permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyo. pp. 8443-4

"Daily Digest" states that the Subcommittee on Conservation and Credit of the Agriculture Committee "ordered reported favorably to the full committee the following watershed projects: Napa River, Calif.; Escondido Creek, Calif.; and Gering Valley, Nebr." p. D406

The Public Works Committee voted to report (but did not actually report) H. R. 11799, defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies. P. D407

5. TERRITORIES. Passed without amendment H. R. 10937, to amend the act providing for the economic and social development in the Ryukyu Islands to increase from \$6 million to \$25 million the amount authorized to be appropriated in any fiscal year for obligation and expenditure in accordance with programs approved by the President. pp. 8444-5, 8446-50
6. EDUCATION. The "Daily Digest" states that the Education and Labor Committee "Met in executive session and ordered reported favorably to the House H. R. 11888 (a clean bill introduced in lieu of H. R. 10145), to improve the quality of elementary and secondary education." p. D406
7. PERSONNEL. The Subcommittee of the Post Office and Civil Service Committee voted to report to the full committee with amendments H. R. 11523, to authorize the employment without compensation from the Government of readers for blind Government employees. p. D407
8. CIVIL DEFENSE. The "Daily Digest" states that the Government Operations Committee "Met in executive session and agreed to adopt a subcommittee report entitled 'National Fallout Shelter Program.'" p. D406
9. FOREIGN AID. The "Daily Digest" states that the Foreign Affairs Committee completed markup sessions on the foreign aid bill and announced approval of \$300,000,000 for development grants and \$440,000,000 for international organizations. p. D406
10. FOREIGN TRADE. Rep. Boggs discussed the proposed Trade Expansion Act of 1962 and inserted the remarks of President Kennedy to the Conference on Trade Policy. pp. 8452-4
11. LEGISLATIVE PROGRAM. Rep. Albert announced that the House will adjourn over from Mon., May 28, until Thurs., May 31, at which time H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, will be considered. p. 8450
12. ADJOURNED until Mon., May 28. p. 8469

SENATE

13. FARM PROGRAM. Continued debate on S. 3225, the farm bill. pp. 8505-30, 8533-50, 8555-63, 8564

Agreed to the following amendments:

By Sen. Ellender, 53 to 36, to strike out the optional provision for a 2-year extension of the 1962 wheat program, and thus provide only for a permanent wheat-marketing quota program, with mandatory diversion of acreage and a marketing certificate and bushel-control program. pp. 8505-23

By Sen. Ellender, 46-37, to strike out provisions of the bill which would have provided for a 1-year extension of the 1963 feed grain program, and insert provisions providing for a permanent marketing quota program

for corn, sorghum, and barley. The minimum national quota would be 110 million tons. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved, and not more than 50 percent of parity if quotas were disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at zero to 90 percent of parity. pp. 8524-61

By Sen. Young, N. Dak., as an amendment to the Ellender feed grain amendment, to authorize the Secretary to permit acreage diverted from feed grains in 1963, 1964, and 1965 to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. pp. 8535-7

By Sen. Young, N. Dak., as an amendment to the Ellender feed grain amendment, to prohibit the grazing of acreage diverted from the production of corn, grain sorghum, and barley unless the Secretary, after certification by the Governor of the State in which the acreage is situated of the need for grazing on the acreage, determines that it is necessary to permit grazing thereon in order to alleviate hardship because of natural disaster. p. 8537

By Sen. Miller, as amendment to the Ellender feed grain amendment, to provide that the term "hardship" would mean "an average loss of 25 percent of gross income," to provide that the term "unduly increase the price of feed" would mean "a 25-percent increase in the price of feed grains," and that the term "normal farming practices" would be "based on 1959-60 operations." pp. 8556-7

Rejected the following amendments:

By Sen. Young, N. Dak., 36-53, as an amendment to the Ellender feed grain amendment, which would have exempted any feed grain harvested as silage from the marketing quotas for feed grains. pp. 8537-41

By Sen. Proxmire, as an amendment to the Ellender feed grain amendment, which he stated would provide "with respect to feed grains, wheat and cotton, any time there is a feed grain referendum held, the cotton and wheat producers who also grow feed grains and also are eligible to vote would be required to vote simultaneously for controls on all crops or controls on none." pp. 8541-3

By Sen. Miller, as an amendment to the Ellender feed grain amendment, which he stated would "eliminate the provision in the Ellender amendment which would take into account imports of feed grains that cut down on the national allotment....it would modify the Ellender amendment by taking into account the reduction in stocks of the Commodity Credit Corporation, in such amount as may be determined by the Secretary of Agriculture." pp. 8543-5

By Sen. Eastland, 40 to 45, as an amendment to the Ellender feed grain amendment, which he stated would provide "that a man may grow on his own land without price supports, whatever feed is necessary for consumption on his property." pp. 8545-9

By Sen. Miller, as an amendment to the Ellender feed grain amendment, which he explained would remove "exemptions for the small farmers... small farms of 25 acres or less." pp. 8557-8

Pending at adjournment was an amendment by Sen. Proxmire to provide for a dairy income improvement program. pp. 8561-3

Sens. Humphrey, Curtis, and McCarthy submitted amendments intended to be proposed to this bill, S. 3225, p. 8476

ranches, and woodlands be taken out of production and put to recreational uses as a means of reducing surplus crops and increasing farm income. p. 8571

15. SOIL CONSERVATION. Sen Talmadge called attention to the observance next week of Soil Stewardship Week, stated that "We are indebted to the 15,000 soil conservation district leaders who have for 8 years inspired this annual observance," and inserted a statement by the Administrator of the Soil Conservation Service, "A Time For Stewardship." p. 8479
16. ESTES CASE. Sens. Mansfield, Goldwater, and Kefauver defended Sen. Yarborough against statements in a recent editorial critical of his relations with Billie Sol Estes, and Sen. Mansfield inserted Sen. Yarborough's letter to the editor defending his actions. pp. 8488-9
17. PUBLIC WORKS. Sen. Case, S. Dak., submitted (for himself and Sens. Cooper, Prouty, Fong, and Boggs) an amendment, in the nature of a substitute, intended to be proposed to S. 2965, to provide standby authority to accelerate public works programs. p. 8476
18. TRANSPORTATION. The Commerce Committee reported with amendments, S. 3016, to establish new loadlines regulations for oceangoing and coastwise vessels (S. Rept. 1530). p. 8472
19. FISHERIES. Sen. Smith, Mass., discussed problems in the fishing industry and inserted a table showing Federal expenditures for agriculture as compared to those for fisheries. pp. 8496-8505
20. HEALTH INSURANCE. Sen. Javits inserted a table comparing provisions of the Kerr-Mills program (Public Law 86-778), the Administration bill (S. 909), and the Javits bill (S. 2664) relating health insurance for the aged. pp. 8550-3
21. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the public works authorization bill will be considered after the farm bill, and that if these bills are disposed of by next Tues., it is the intention of the leadership to adjourn over until the following Mon. or Tues., with a pro forma meeting on Fri. of next week. Also, he stated that the Interior and related agencies appropriation bill will be considered after this adjournment period. p. 8541

ITEMS IN APPENDIX

22. SURPLUS FOOD. Extension of remarks of Rep. Dole inserting a prize-winning essay on "How Can The Hungry People of the World Be Fed?" p. A3873
23. PARKWAY. Extension of remarks of Sen. Byrd, W. Va., inserting a statement presented before the Senate committee urging favorable action on the bill to authorize construction of the Allegheny Parkway. pp. A3873-4
24. FOREIGN AID. Extension of remarks of Sen. Talmadge inserting an editorial, "Time To Get Tougher," suggesting that the time is overdue for the United States to start demanding something for our money." pp. A3876-7
25. FARM PROGRAM. Extension of remarks of Rep. Ellsworth inserting an article urging a complete investigation of the Estes case. pp. A3878-9
26. FOREIGN TRADE. Extension of remarks of Sen. Humphrey commending and inserting an address by Secretary Dillon, "How To Keep American Products Competitive."

were only 1,475 so employed. In the year 1950 there were 1,438 commercial fishing motorboats and small boats, while in 1960 this had declined to a total of 967 such craft. Let me further state that while even in 1960 the fish and shellfish industry in Rhode Island grossed \$3,846,324, in just one year this had declined to \$3,196,227.

Mr. President, if this trend is allowed to continue, my own State's small but vital, fishing industry will shrivel up in a few years as will that of our whole Nation. The Senator from Massachusetts [Mr. SMITH] has cogently pointed out that our fishermen, our individualistic farmers of the sea, cannot afford to continue to work in the fishing industry unless they receive support and help from the Federal Government as is envisaged in Senator SMITH's seven-point program.

Technical obsolescence and the strong competition we are receiving from the Communist bloc has put our fishing industry on the defensive. Within the last few years the United States has dropped from second place in the world fish production to fifth place, with Japan, Russia, Red China, and Peru producing more than our country.

In the last 10 years New Bedford is the only New England fishing port that has not had a large decrease in the amount of fish landed each year. No new large trawler has been built in New England since 1954. And, as you know, Mr. President, the U.S.S.R. has 87 factory ships operating in the North and South Atlantic, 75 of which are stern trawlers, a type of vessel we have never even built. This startling statistic alone graphically points out the need for a complete modernization of our fishing fleets. This can be done mainly by an expansion and streamlining of the Vessel Subsidy Act and by strengthening of State commercial fisheries programs by a system of Federal matching grants.

To my mind the Bureau of Commercial Fisheries has been of great assistance in helping to slow the decline of our fishing industry. However, this has not been enough. It would appear that there should be a substantial increase in the amount of funds which the Bureau uses in order that it can be of more assistance to our American fishing industry.

I, along with many other Senators, have continually fought for the approval of fish protein concentrate for domestic consumption. If the Food and Drug Administration reversed its previous ruling and allowed the sale of fish protein concentrate domestically, it is my belief that this would open up the great foreign market in the underdeveloped nations. This would serve a twofold purpose: First, an increase in the exports of our industry; and, second, an extension of our policy of aid to those friendly underdeveloped nations.

Mr. SMITH of Massachusetts. Mr. President, I thank the Senator from Rhode Island for his contribution to this presentation.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The ACTING PRESIDENT pro tempore. The hour of 12 o'clock noon having arrived, the unanimous-consent agreement previously entered into becomes effective.

Under the unanimous-consent agreement, the Senator from Louisiana controls the time available to those who favor his amendment; and the minority leader, the Senator from Illinois [Mr. DIRKSEN], controls the time of those who are in opposition to the amendment.

NO SEGREGATION UNDER THE FARM BILL

Mr. KEATING. Mr. President, the distinguished minority leader [Mr. DIRKSEN] is temporarily absent from the floor. For the time being, he has delegated to me control, of the time available to those in opposition to the Ellender amendment.

Mr. President, on that basis I now yield myself 10 minutes of the time available to those who oppose the amendment of the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

Mr. KEATING. Mr. President, many of us have protested over and over again the expenditure of vast amounts of Federal revenues on segregated schools, hospitals, housing, and even research projects. I believe it is unconscionable as well as unconstitutional to use Federal taxes to foster Jim Crow facilities. Federal officials have no more right than do State officials to approve such grants.

I have been concerned about the absence of any express safeguards in title I of this bill against the use of Federal funds to develop racially segregated park and similar recreational facilities. It would certainly be unfortunate if this program were marred by such racial practices. In order to preclude such a situation, I prepared an amendment to title I of the bill, requiring guarantees that any public facilities developed with public assistance be available to all persons without discrimination on account of race. This amendment was sent to the desk last night, and it is now on the table. It consists of only one sentence, which is proposed to be inserted as section 104, on page 8, in line 20, as follows:

SEC. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assist-

ance will be available to all persons without discrimination on account of race.

The amendment was proposed on behalf of myself, the Senator from Pennsylvania [Mr. SCOTT], my colleague from New York [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], and the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. President, such an amendment on this subject should be unnecessary. The Constitution is part of every one of our enactments. Its commands cannot be ignored by officials in the executive department sworn to uphold the law, just because the particular statute they administer does not reiterate all the controlling constitutional limitations on their actions.

I considered that this amendment might be necessary only because in recent months several key officials have expressed a different view on the relevancy of the Constitution to their actions. They have asserted, in effect, that their hands are tied and that without a congressional mandate they cannot enforce the guarantees of equal protection. Mr. President, that is nonsense. No statute can override constitutional requirements, and their mandate to act comes directly from the fundamental law.

Fortunately, the debate on this measure has made this clear. Both those in favor of title I and those opposed to title I have stated unequivocally that under its provisions, the Federal Government would have to take steps to assure that any public facilities developed with Federal funds would have to be operated on a nonsegregated basis.

For example, the Senator from Mississippi [Mr. EASTLAND], who I believe, opposes this title, posed this question to the Senator from Florida [Mr. HOLLAND]:

Is it not true that, under the interpretation which the Supreme Court places on the Constitution, these recreational facilities will be racially integrated facilities?

Senator HOLLAND replied:

The Senator from Florida so believes and would have no hesitancy in saying that is the case.

I recognize that it was not the purpose of that colloquy to reassure the junior Senator from New York that these Federal funds would not be used to build racially segregated facilities. Nevertheless, I do find the colloquy very reassuring since it will provide a clear expression of legislative intent to those charged with administration of this program. Our intent will be especially clear, since these expressions are uncontradicted and, as I have indicated, they are supported by those who favor title I. The Senator from Vermont [Mr. AIKEN], for example, has made remarks to the same effect. Under these circumstances, perhaps no such amendment is needed. The debate up to this point precludes any misunderstanding of the congressional intent, and leaves no room for any argument that because this statute is silent on this point, it is intended to overturn constitutional safeguards.

On the contrary, this is one Federal grant-in-aid program which will have to be administered in complete conformity with constitutional requirements.

This will not be a case in which the Department of Justice will have to sue the Department of Agriculture for the purpose of seeing that the Constitution is carried out, and no long and expensive litigation to open these facilities to all members of the public will be required.

The duty of those charged with the administration of the act has been made crystal clear by the debate to this point, and there will be no excuse for any inconsistent course of action.

I hope we can set a precedent here which will serve far beyond the recreational facilities provided under this title. The principles involved here affect every Federal grant-in-aid program. It would be indeed gratifying if this debate and program caused a complete reconsideration of the administration's position on this issue and resulted in its insisting henceforth on a nondiscriminatory policy for all projects supported by Federal funds.

The President not only has the authority, but the responsibility, to make certain that all executive departments comply with the Constitution. It is incredible that a principle so self-apparent and compelling should continue to be widely compromised in practice.

If this legislative intent is not seriously challenged in the debate and it continues to be clear that funds can be used under the bill, as worded, only for public facilities which will be made available to all persons without discrimination on account of race, it will not be necessary to press the amendment which is at the desk. On the other hand, if it becomes necessary to clarify the issue beyond any question, my amendment will be offered.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield for one or two questions?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. How would the grain amendment affect Virginia and the Southeastern States?

Mr. ELLENDER. I think it would affect Virginia very little, if at all.

Mr. ROBERTSON. Three of the national farmers' organizations operate in Virginia. The National Grange says it favors the Senator's amendment because it is stated it will save \$500 million. The Farmers Union favors it because it wants high rigid supports and knows it cannot have them without production controls. It is favored by the Farm Bureau Federation, because it wants controls taken off the farmers; it wants to be free of controls and cut down on contributions to the soil bank.

Will a wheat farmer in Virginia be able to grow the same amount of wheat he has been growing?

Mr. ELLENDER. There is a provision in the feed grains program that makes it possible for the farmer to plant wheat on feed grain acreage, or vice versa. There is the 25-acre minimum, which makes it possible for a farmer who in the

past has planted less than 25 acres of feed grains to be able to continue to plant the same as he in the past with no reduction at all. If he wants to come in under the program, he can do so, provided he takes the same reduction the larger farms take.

Mr. ROBERTSON. Then I understand a wheat farmer, if he wants to continue to grow wheat, can grow it. If he wants to use some of this land for feed grains, he can grow them on that land?

Mr. ELLENDER. He can grow feed grains. We exempt rye—

Mr. ROBERTSON. If he wants to grow wheat as a feed grain, he can do so?

Mr. ELLENDER. He can do it under the optional plan in the feed grain program.

Mr. ROBERTSON. The Senator from Georgia said yesterday that in the Southeastern States, including Georgia, more feed grains could be grown under the amendment of the Senator from Louisiana than are now grown.

Mr. ELLENDER. The reason for that is that many farmers have chosen not to plant this year in order to qualify for payments under the emergency feed program. In order to qualify for payments they have voluntarily taken out more feed grain acreage than they would be required to take out under this amendment.

Mr. ROBERTSON. What is the Senator's estimate as to what will be the reduction in cost if we adopt his two amendments?

Mr. ELLENDER. Let me answer in this way: Last year the wheat program alone cost in excess of \$600 million. The program for corn and other feed grains cost in excess of \$800 million. It is my belief those costs will be cut, probably in half or more, and as time goes on, when we get controls and have production in keeping with our requirements, the program should carry itself, almost as in the case of cotton, tobacco, and rice.

Mr. ROBERTSON. Is it not true that under the present program, where we have given farmers price supports but no controls, we have accumulated surpluses of 75 million tons of corn and other feed grains?

Mr. ELLENDER. It was 85 million tons a few months ago. It has been reduced to 75 million tons. That is about four times as much as our ordinary carryover.

Mr. ROBERTSON. Is it the purpose of the Senator's feed grain amendment to hold production down to normal demand?

Mr. ELLENDER. That is the purpose of it.

Mr. ROBERTSON. There are many dairy farmers and poultry and turkey producers in Virginia. Will they have to pay more for their feed, or will this measure stabilize prices?

Mr. ELLENDER. I think this provision will lead to stabilized prices. As the Senator has pointed out, we have on hand about 75 million tons of grain. The program the administration has in effect now has raised the price of feed grains a little. I do not believe this pro-

gram will raise it any higher than it now is.

Mr. ROBERTSON. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield for a few questions?

Mr. ELLENDER. I yield.

Mr. MORSE. Mr. President, the senior Senator from Louisiana, as chairman of the Senate Committee on Agriculture and Forestry, has earned our commendations for his clear and lucid presentation of a very complex and most important agricultural measure. I have reviewed his statements in the CONGRESSIONAL RECORD for the past 3 days with great care. His arguments, in my judgment, for the bill as he proposes it be amended are most compelling. I am strongly inclined at this point to support his position, on the basis of the case he has made.

I am pleased particularly to note from his colloquy with the Senator from Washington [Mr. MAGNUSON] that his wheat amendment follows the general approach developed in the letter to the Secretary of Agriculture, which the Senators from Oregon joined in signing. Since that letter was sent, I have received strong support for the proposals from a number of Oregonians and representatives of the wheat farmers of my State. In a letter dated May 17, the Oregon Wheat Growers League, for example, informed me that it is the desire of wheat producers that there be permanent legislation as they are finding it most difficult to operate upon a year-to-year basis. They also approve of eliminating the 2-year extension option in the referendum.

The feed grain amendment of the distinguished senior Senator from Louisiana, since it includes, as I understand it, provisions permitting wheat to be grown for feed on feed-grain acres, and feed grain to be grown on wheat acres, has also received the strong support of Oregon wheat farmers.

Mr. President, I ask unanimous consent that at the conclusion of my colloquy with the Senator from Louisiana there be printed several representative letters and telegrams I have received in connection with the bill.

The PRESIDING OFFICER. (Mr. BEALL in the chair.) Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, concern has been expressed to me by representatives of Oregon livestock producers in Malheur, Baker, and Wasco Counties among others about authority in the bill which would permit grazing on grain acres which have been diverted.

One wire reads, "Urge you oppose bill permitting grazing on soil bank acreage," from the Wasco County Livestock Association. One from a farmer in Malheur County states that if the provision were enacted into law many new producers "would be attracted into livestock production. This would cause greater surplus in livestock, bringing the livestock producer under unneeded controls."

It is my understanding that no more authority in this respect is contained

in the bill than is contained under existing law, which, if I am correctly informed, is limited to emergency situations. But these cattlemen do not think so. Can the Senator clarify this point for the legislative record?

Mr. ELLENDER. As a matter of fact, it is left to the Secretary. As the Senator well knows, we passed special laws lately in order to permit grazing; but under the act as now presented, the Secretary would have the right to permit grazing if he saw fit.

Mr. MORSE. Would not the chairman agree that this discretionary authority vested in the Secretary to permit grazing ought to be exercised with great caution and be limited to emergency situations?

Mr. ELLENDER. Yes.

Mr. MORSE. Mr. President, I thank the Senator.

Mr. Elmer E. Peterson, president of the Oregon Association of Soil Conservation Districts, has informed me as of May 1, 1962, that his organization favors titles I and V of S. 2786 for the reason that, if enacted, the legislation would materially speed up the watershed, soil and water conservation work as well as flood prevention work, in the 59 soil conservation districts in Oregon. Am I correct that these titles have survived in a materially unchanged form in the pending bill?

Mr. ELLENDER. They have, except that a limitation has been placed in the bill as to the amount of money to be spent. We have stricken from title I the authority of the Federal Government to purchase any land. The Secretary of Agriculture could, of course, cooperate with local agencies, including soil conservation groups, to carry out certain programs which would be planned.

There would be retained, under the terms of the bill, contracts not exceeding 15 years, which could be entered into with farmers. That provision would be unchanged.

Mr. MORSE. Mr. President, again I thank the Senator for his helpful response.

The able chairman of the committee may be interested to know that the executive board of the Oregon-Washington Farmers Union last March 31 by resolution stated:

We hereby express our approval of the principles embodied in the new farm program and endorse its passage as a practical means of reducing surplus, of regulating production, and of securing a fair price for our commodities.

We would prefer a plan of unit measure. We are thoroughly disillusioned with a system that has moved thousands of our farmers off the land and these proposals offer some answer.

Low prices and increasing production costs have forced many of those who remain into a precarious position of overcapitalization, in the race for more land, more machinery, and more fertilizer; to produce more for less.

Farm prices in equality with the rest of our economy are not only fair but a vital necessity, that should be, and we believe is, a matter of real concern to both producer and consumer.

Much has been said about loss of liberty and freedom and we are not unappreciative. But freedom to bankruptcy and liberty to leave the land are not our goals.

To be practical and objective, any plan must have enforceable controls. Such plans can be democratically developed, and we are not needlessly frightened by the sound of our own voice.

The job needs to be done and now.

We endorse the farm program as set out in the principles of H.R. 10010 and urge its passage.

Mr. President, with the indulgence of the distinguished chairman of the committee, I turn now to a further point which was brought to my attention by representatives of the Oregon-Washington Pea Growers Association. The association represents growers farming about 35,000 acres of green peas in northeastern Oregon and southeastern Washington. They indicate that they oppose any legislation which would permit the production of green peas for processing to be grown on acreage diverted from wheat production. Could the chairman comment upon the provisions of the bill to give an indication that it is not the intent of the committee to impose an economic hardship upon our green pea growers?

Mr. ELLENDER. There is no intention to impose any hardship on the green pea growers. No crop in surplus or which would impair the program could be planted on diverted acres. I would assume that green peas probably could not be planted.

Mr. MORSE. The farmers could not plant them on diverted acres?

Mr. ELLENDER. No; not if that adversely affected the program.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana may proceed for 5 more minutes.

Mr. MORSE. Mr. President, I thank the Senator most wholeheartedly for his courteous response. In closing, I should like to bring to the attention of Senators the viewpoint of Senator Loyd Key, a member of the Interim Committee on Agriculture of the Oregon State Legislature, who on May 7 sent the following telegram to Secretary Freeman:

Hon. ORVILLE FREEMAN,
Secretary of Agriculture,
Washington, D.C.

Your very able handling of the questions presented to you by the press, possibly a hostile press, during the "at the source interview" relating to the administration's farm bill deserves the praise of all enlightened people engaged in agriculture and allied industries of agri-business. Your program for wheat embodies all of the features that growers in eastern Oregon and Washington have been seeking for 30 years. The certificate provision allowing growing of wheat for feed grain on feed grain acreage is particularly desirable to growers here, as it permits entering two markets, comparable to having some beef cuts for the carriage trade and hamburger for the lower priced purchaser.

I wish you success in enacting the program.

Mr. President, Senator Loyd Key has expressed the point of view which is shared, judging from my correspondence, by most sectors of Oregon's agricultural community. To be candid, not all

Oregon farmers agree with him, as evidenced by a number of telegrams which I have received from representatives of the Oregon Farm Bureau Federation.

Although, as I have indicated, the presentation made by the chairman of the committee has impressed me to the point where I intend to support his position on the amendments and on the bill, in fairness to those Oregon farmers who are seriously disturbed about the proposals which they feel will give to the Secretary more power than these citizens deem wise, I feel it proper to bring to the attention of Senators the points which have been raised. I, therefore, will include in the representative group of communications for which I have already received insertion approval a number of such communications.

One of them, in particular, from Mr. and Mrs. Leland Mayhew, of Maupin, Oreg., states in part:

I was raised on a farm and my husband was born and raised on this farm which has been in the family for 50 years. We had hoped one of our children would also carry it on, but there is no incentive left for them.

Originally we had 550 acres of wheat land a year. With the last cut, it went to 318 acres. Another 20 percent cut would not even make farm expenses, let alone a living for our two families.

Expenses continue on at an ever climbing rate with repairs, replacements, gas, fertilizer, taxes, etc., but income keeps dropping. Have been keeping books on our family living, and find we are spending under \$200 a month, not buying except for essentials, so this isn't the high living we are accused of.

A good many will have to leave the farm if the present plan goes into effect taking jobs away from other men or going on welfare in many cases. I wonder, too, how much thought has been put to how this will affect other industry, such as tire and equipment dealers, and the loss of revenue from income tax.

The farmer has always been dedicated to his work. He has to be or he wouldn't stick it out with the poor pay and long hours—in our case 12 hours a day, 6½ days a week.

We have sold our wheat on the open market for several years—so the Government is not supporting us. Our wheat in the West certainly has no surplus from recent years. We can't diversify because of lack of water.

I would very much appreciate the comments of the able committee chairman with respect to the safeguards in the bill which are designed to help the family-sized farmer in a situation such as faces Mr. and Mrs. Mayhew, and many others who have written me to similar effect.

Mr. ELLENDER. Of course, one of the purposes of the bill is to stabilize and to increase farm income. Necessarily, if that is done it will help the smaller farmers.

We are trying to keep the farmers in business. The Senator must not overlook the fact that should the wheat acreage be cut under the terms of the proposal the farmer would be paid for the diverted acres for at least 3 years after the law becomes effective. In the meantime, the farmer could adjust himself to the new situation. After the 3 years no doubt surpluses will be reduced

to manageable levels and perhaps allotments will be increased.

Mr. MORSE. The farmers could grow other feed grains?

Mr. ELLENDER. Surely; they could grow all the oats they wished to, or they could grow all the rye they wished to. They could grow feed grains for pasture for their cattle. There is no restriction on that at all.

Mr. MORSE. I thank the Senator for his usual courtesies.

EXHIBIT 1

LEGISLATIVE MESSAGE CONCERNING AGRICULTURAL ACT OF 1962

To Members of the U.S. Senate:

Passage of the Food and Agricultural Act of 1962 as reported by the Senate Agriculture Committee would be a step toward the development of a farm program that will lead to a sound agriculture economy.

Its enactment would strengthen farm income and curb the cost to the Federal Government.

However, to further these goals, the following amendments are needed:

1. Reinstatement more realistic choices in the wheat referendum.

2. Replace the temporary extension of the feed grain program with the permanent program.

3. Reinstatement the provision that would allow wheat to be grown on feed grain acres or feed grain on wheat acres.

We respectfully request your support of the Food and Agricultural Act of 1962 with these amendments.

NATIONAL GRANGE.

NATIONAL FARMERS UNION.

NATIONAL ASSOCIATION OF WHEAT GROWERS.

MISSOURI FARMERS ASSOCIATION.

NATIONAL FARMERS ORGANIZATION.

MAY 21, 1962.

NATIONAL ASSOCIATION OF

WHEAT GROWERS,

Washington, D.C., May 7, 1962.

Hon. WAYNE MORSE,

U.S. Senate,

Washington, D.C.

DEAR SENATOR MORSE: The Food and Agriculture Act of 1962, S. 3225, as reported by the Committee on Agriculture and Forestry provides a vehicle for the establishment of a sound agricultural program.

As you are aware, the National Association of Wheat Growers has long advocated a bushel management plan for wheat, and has endorsed the principles of supply control on a commodity by commodity basis.

The fundamental principles of the bushel management plan are contained in S. 3225, but there are three major amendments which should be adopted if the program is to be effective in maintaining farm income and reducing the costs to the Federal Treasury.

Briefly, these needed amendments are:

1. Eliminate the referendum choice between a permanent certificate program and a 2-year extension of the 1962 emergency wheat program.

2. Replace the temporary extension of the feed grain program with a permanent mandatory feed grain acreage control program.

3. Reinstatement the substitution clause permitting wheat to be grown for feed on feed grain acres, or feed grain to be grown on wheat acres.

For your convenience there is attached a copy of the association's recommendations in respect to these amendments, together with our reasons for making them.

If you desire further information concerning these amendments, I will be happy to

discuss them with you at your convenience.

We respectfully request your support of these amendments, and of S. 3225 after these amendments are adopted.

Very truly yours,

JAMES B. DYESS,

Executive Vice President.

RECOMMENDATIONS OF THE NATIONAL ASSOCIATION OF WHEAT GROWERS WITH RESPECT TO THE FOOD AND AGRICULTURE ACT OF 1962, S. 3225

The Food and Agriculture Act of 1962 as reported by the Senate Committee on Agriculture and Forestry would keep the door open for substantial progress towards the goals of returning to agriculture its rightful place in the Nation's economy. However, the bill as written will not be sufficiently effective in maintaining farm income and reducing the costs to the Federal Treasury.

In order to more fully accomplish the purposes of the act, we believe the following three amendments are essential:

1. Amend section 316 of the bill by deleting all of section 336(b), and delete all of sections 326, 327, and 328.

This amendment would permit wheat producers, by referendum, a clear choice between a program which would balance supply with demand, at a fair return to the grower, or no program, with price supports limited to not more than 50 percent of parity to cooperating farmers.

The alternative proposals provided in the committee bill force producers to choose between the supply management program contained in sections 310 to 325 of the committee bill, or a 2-year continuation of the present inadequate wheat-control program as provided in sections 326 to 328 of the bill. This will create confusion in the minds of the producers, and could result in failure of the act to accomplish its purposes.

It is evident from the following facts that the present emergency wheat program will not meet the needs of the wheat growers or of the Nation as a whole. By comparison with the bushel management program provided by sections 310-325, the present program is wholly inadequate because:

(a) It is far more costly to the Federal Treasury since rental payments would be at least \$100 million higher.

(b) There is no assurance that wheat marketings will be in balance with needs.

(c) There is no guarantee of a reduction in CCC stocks.

(d) Net farm income could not be improved.

Under the committee bill, the million or so eligible voters would be called on to make a choice between a known program and one with which many of them are not familiar. If, due to lack of understanding on the part of many voters, the present program were to be selected in this popularity contest, the wheat problem would still be with us, and the Congress at the end of 2 years would once again be faced with the problem of providing constructive wheat legislation.

A year ago when the emergency wheat program was being considered by the Congress, our association reluctantly endorsed the provisions of this program, only because we recognized the urgency of reducing supplies and raising farm income. We stated then, and we now reaffirm, that this emergency type program was inadequate to meet the needs of the wheat producers and the Nation.

We do not believe an inadequate program such as this should be offered as one choice in a referendum.

2. Amend title III, subtitle A, to provide producers a choice between a permanent feed grain program with mandatory acreage controls which will balance supply with demand, at a fair price, or no controls with prices free to seek their own level.

Most wheat producers are also feed grain producers, although the volume of feed produced on wheat farms is only a fraction of the total feed grain production.

The problem of surplus productive capacity is equally as serious with feed grains as it is with wheat. The stringent control of wheat acres, without similar controls on feed grain acres will not solve the entire grain problem.

As in the case of wheat, the emergency type feed grain program is inadequate to meet the needs of producers, or the Nation. The land retirement payments needed to divert sufficient acres to effect a reduction in supplies is quite costly, and with only a voluntary land retirement program, cooperating producers must make a greater reduction than would otherwise be the case to offset the increased acreage on noncooperating farms. Typical of this is the fact that in 1961, noncooperating farmers increased their feed grain acreage by about 5 million acres, thus offsetting much of the effect of the acreage reduction on cooperating farms.

Feed grain producers have long enjoyed the privilege, denied producers of other surplus commodities, of unlimited production with guaranteed prices. It is almost tantamount to class legislation to continue to offer feed grain producers such privileges, and require producers of wheat, cotton, rice, tobacco, and peanuts to make a choice between strict controls with guaranteed prices, or no controls with no effective price guarantees. This is especially true since the CCC stockpile of feed grains is larger than of any other commodity.

3. Amend the proposed act to permit the substitution of wheat on feed grain acres, or feed grain on wheat acres.

Under the terms of sections 310 to 325 of the proposed legislation, the use to which wheat is put is the primary determinant in the price level. Wheat for human food is priced at one level, and wheat for seed, feed, and industrial uses is priced at a lower level. Since this is the case, each producer should be given the opportunity to determine which feed grain he desires to produce on his own farm. Some producers undoubtedly will prefer wheat for feed instead of barley, corn or grain sorghum. Such a substitution, however, would not increase the total output of feed on the farm, but would simply provide each grower with more freedom of operation on his own farm, and at the same time limit the total output of feed grain.

The National Association of Wheat Growers strongly urges that you support these amendments to the Food and Agriculture Act of 1962, and after these amendments have been adopted, that you support the passage of the bill.

OREGON WHEAT GROWERS LEAGUE,

Pendleton, Ore., May 17, 1962.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: It is my understanding that the Senate is to start debate on the farm bill Monday, May 21. We are again sending Don Woodward to Washington in regard to this bill and I have requested Don to contact you upon arrival.

Our executive committee meeting will also be held Monday, May 21, and no doubt you will receive a telegram from me on that day pertaining to any action the committee might take on the farm bill. The Umatilla County Association has gone on record favoring the bill passed by the House, and I believe the league will do the same. We are particularly interested in amendments that should be added to the Senate bill. It is our understanding that the substitution clause permitting wheat to be grown for feed on feed grain acres, or feed grain to be grown on wheat acres must be in the Senate bill.

The growers in the Pacific Northwest feel that this is a must.

Two other points that will come up for discussion, which I think the league will favor, will be to eliminate the referendum which will give a choice between a permanent certificate program and a 2-year extension of the 1962 emergency wheat program.

The third point will be acted on and I will notify you Monday in regard to our action. This deals with the feed grain program. We think at present that we should replace the temporary extension of the feed grain program with a permanent mandatory feed grain acreage control program.

In talking to many of our wheat producers, it is their desire to have permanent legislation as they are finding it most difficult to operate on a year-to-year basis.

You will hear from me either Monday evening or Tuesday morning in regard to the league's actions on Senate legislation, after our meeting on Monday.

Very truly yours,

JOHN H. WELBES,
Executive Vice President.

PENDLETON, OREG., May 21, 1962.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Oregon Wheat Growers League executive committee endorsed the House committee version of the farm bill dealing with wheat and feed grain. We definitely feel the substitution clause must be in the Senate bill along with a mandatory cut in feed grain acreage.

JOHN WELBES,
*Executive Vice President,
Oregon Wheat Growers League.*

RESOLUTION OF OREGON-WASHINGTON FARMERS UNION, SALEM, OREG.

The executive board of the Oregon-Washington Farmers Union in session, March 31, 1962, passed unanimously the following resolution:

"We hereby express our approval of the principles embodied in the new farm program and endorse its passage as a practical means of reducing surplus, of regulating production and of securing a fair price for our commodities.

"We would prefer a plan of unit measure. We are thoroughly disillusioned with a system that has moved thousands of our farmers off the land and these proposals offer some answer.

"Low prices and increasing production costs have forced many of those who remain into a precarious position of over-capitalization, in the race for more land, more machinery and more fertilizer; to produce more for less.

"Farm prices in equality with the rest of our economy are not only fair but a vital necessity, that should be, and we believe is, a matter of real concern to both producer and consumer.

"Much has been said about loss of liberty and freedom and we are not unappreciative. But freedom to bankruptcy and liberty to leave the land are not our goals.

"To be practical and objective, any plan must have enforceable controls. Such plans can be democratically developed, and we are not needlessly frightened by the sound of our own voice.

"The job needs to be done and now.

"We endorse the farm program as set out in the principles of H.R. 10010 and urge its passage."

R. J. ELKINS,
President.

PENDLETON, OREG., May 17, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

The farmers of this area will appreciate your effort to amend S. 3225, to restore ad-

ministration feed and grain and wheat program as they were introduced in the original Ellender bill.

W. C. ROSEWALL,
President, Morrow County Farmers Union.

PETITION—FOOD AND AGRICULTURE ACT OF 1962

HON. WAYNE MORSE,
*Senator from Oregon,
Washington, D.C.*

We the undersigned respectfully urge you to support, with our recommended changes, the Kennedy administration's Food and Agriculture Act of 1962.

We support these supply management proposals because we feel they will (1) bring a balance between production and use of farm commodities, (2) reduce the expenditures of the Department of Agriculture, and (3) more effectively utilize and conserve our land.

We urge, however, that the legislation be strengthened by providing for full parity of income goals by 1965; that the interests of family farm operators be more fully clarified in the transfer of allotments; that only one type of certificate accompany all wheat consumed domestically or exported; that no fixed value be placed on wheat certificates so that producers would receive the benefit of any increase in prices above the support level; and that a 10-year base be used for arriving at individual producer allotments.

We feel that these changes are only fair consideration for providing our Nation and much of the world with an abundance of food. We sincerely seek your interest and help in this appeal because the welfare of thousands of farm families is at stake.

M. J. Vanderzanden, Bernard W. Gent, Karl Schaefer, Joe A. Jaross, Pauline E. Wambaugh, Lela M. Plass, Mrs. Karl Schaefer, Cecilia F. Gent, Mrs. Dora Vanderzanden, S. D. Smith, John Plass, R. E. Wambaugh.

ONTARIO, OREG., May 19, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Malheur County Livestock Association views with alarm the section in farm bill allowing grazing of acres which have been idled because of provisions of this bill and for which payment is being received. Strongly urge this section be deleted.

WILLIAM G. ROSS,
President.

BAKER, OREG., May 18, 1962.

Senator WAYNE MORSE,
*Senate Office Building,
Washington, D.C.:*

Livestock producers here oppose grazing acres diverted under farm program. Places majority producers at disadvantage. Urge you oppose this feature H.R. 11222.

JOHN S. OSBORN,
President, Baker County Livestock Association.

THE DALLES, OREG., May 22, 1962.

Senator WAYNE MORSE,
*Senate Office Building,
Washington, D.C.:*

Please oppose bill permitting grazing on soil bank land.

BILL RUPER,
President of the Wasco County Livestock Association.

BAKER, OREG., May 21, 1962.

Senator WAYNE MORSE,
*Senate Office Building,
Washington, D.C.:*

Why are you permitting livestock to graze growing crops on diverted grain acreage? We don't mind supporting grain growers once, but as a cattleman I object to this potentially destructive second subsidy. Do

you think this kind of insanity will make it easier for us to work for Kennedy in 1964?

BOB STEWARD.

ONTARIO, OREG., May 21, 1962.

HON. WAYNE MORSE,
*U.S. Senate,
Washington, D.C.*

DEAR SIR: I am opposed to this bill as it would allow land that is idled under the wheat and feed grains provision to be grazed. As many as 60 million acres could be idled under the proposed bill.

If such a provision were enacted into law many new producers would be attracted into livestock production. This would cause a greater surplus in livestock, bringing the livestock producer under unneeded controls. This competition seems to me to be an unwise move for the Government to make.

Yours truly,

CARL E. HANSON,
Diversified Farmer.

MAY 7, 1962.

HON. ORVILLE FREEMAN,
*Secretary of Agriculture,
Washington, D.C.:*

Your very able handling of the questions presented to you by the press, possibly a hostile press, during the "At the Source Interview" relating to the administration's farm bill deserves the praise of all enlightened people engaged in agriculture and allied industries of agribusiness. Your program for wheat embodies all of the features that growers in eastern Oregon and Washington have been seeking for 30 years. The certificate provision allowing growing of wheat for feed grain on feed grain acreage is particularly desirable to growers here, as it permits entering two markets, comparable to having some beef cuts for the carriage trade and hamburger for the lower-priced purchaser.

I wish you success in enacting the program.

LOYD KEY,
*Senator, District No. 19.
(Copy to Senator WAYNE MORSE.)*

LEXINGTON, OREG., May 22, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Oppose passage farm bill, S. 3225. Recommended amendments on floor in line with H.R. 11222.

NORMAN NELSON.

PENDLETON, OREG., May 22, 1962.

HON. WAYNE L. MORSE,
*U.S. Senate,
Washington, D.C.:*

I have a ranch in Morrow County, Oreg., on which I grow wheat and cattle. I am opposed to the feed grain restrictions in H.R. 11222. I am in favor of the feed grain amendment proposed by Senator ELLENDER, which would favor raising wheat on feed grain acres and feed grain to be grown on wheat acres.

I would like to see the northwest wheat farmers on a competitive basis with midwest corn and milo growers.

I feel any controls on feed grains is a step toward controlling cattle feeding. The cattle business has survived the last several decades without controls. I would like to see it continue this way.

I appreciate your efforts toward helping stockmen and hope you continue to do so. Thank you.

Very truly yours,

STEPHEN THOMPSON.

SARVIS SPRINGS RANCH,
Echo, Oreg., May 1, 1962.

Senator WAYNE MORSE,
*Senate Office Building,
Washington, D.C.*

DEAR SENATOR: There are two items that I would like to bring to your attention:

First and foremost I would urge you to support the three amendments that the National Association of Wheat Growers have recommended for the administration's farm bill:

1. Eliminate the referendum choice between a permanent certificate program and a 2-year extension of the 1962 emergency wheat program.

2. Replace the temporary extension of the feed grain program with a permanent mandatory feed grain acreage control program.

3. Reinstate the substitution clause permitting wheat to be grown for feed on feed grain acres, or feed grain to be grown on wheat acres.

Secondly, I do not think that H.R. 10650 that is being considered in the Senate is fair and I would urge you to work against it.

Very truly yours,

HARRY PROUDFOOT.

OREGON ASSOCIATION OF
SOIL CONSERVATION DISTRICTS,
Eugene, Oreg., May 1, 1962.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Thank you for your letter of March 28, 1962, and the comments of Assistant Secretary of the Interior Kenneth Holum on our resolution No. 1.

Our State association will no doubt again consider this resolution at our forthcoming State meeting on November 8 and 9 at Eugene, Oreg., and incorporate various suggestions received.

Incidentally, I note that many proposed amendments to Public Law 566 are now incorporated in H.R. 11222 (S. 2786) under title I. Our State association, at their recent meeting on April 27, 1962, went on record as supporting title I and title V of this bill.

Attached is a copy of a letter which I sent to each of our Representatives, asking them to support this proposed legislation.

It is my understanding that the Senate committee has already reported favorably on this S. 2786. Your continued support for this proposed legislation will be appreciated.

Again, I wish to thank you for your interest and prompt attention to matters relating to our soil and water conservation work in Oregon.

Sincerely yours,

ELMER E. PETERSON,
President.

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D.C. May 18, 1962.

HON. WAYNE L. MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Two parts of the Food and Agriculture Act of 1962 which you have under consideration are of direct concern to rural electric systems throughout the country. One provision is the REA direct loan account which was contained in the administration's proposal and which is a part of S. 3225. Other provisions are those which would implement the rural areas development program.

At our annual meeting in March, members of the National Rural Electric Cooperative Association stated their position on these two segments of the farm bill. Copies of these resolutions are enclosed for your information. We would appreciate your support of our position on these issues.

Sincerely yours,

KERMIT OVERBY,
Director, Legislation and Research
Department.

RESOLUTION ON RURAL AREAS DEVELOPMENT
ADOPTED BY THE DELEGATES TO THE ANNUAL
MEETING OF THE NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION IN ATLANTIC CITY,
N.J., MARCH 5-8, 1962

RURAL AREAS DEVELOPMENT

Whereas rural electric systems have always been in the forefront of the struggle to improve conditions in rural America; and

Whereas more than half the poverty in America is to be found among rural residents, although they make up less than one-third of the Nation's population; and

Whereas a massive assault is required before any permanent improvement in the economic and social conditions in many low-income rural areas can be expected; and

Whereas the interests of rural electric systems are inseparable from those of rural America; and

Whereas rural electric systems are already actively supporting present Government programs to help rural areas improve their economies: Now, therefore, be it

Resolved, That we urge Congress to support those provisions of the Food and Agriculture Act of 1962 which would implement the comprehensive, closely coordinated rural renewal approach to revitalizing rural America as recommended in President Kennedy's recent farm message and by Secretary of Agriculture Freeman, and in addition, would strengthen and expand existing USDA rural area development programs.

RESOLUTION ON REA DIRECT LOAN ACCOUNT
ADOPTED BY THE DELEGATES TO THE ANNUAL
MEETING OF THE NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION IN ATLANTIC CITY,
N.J., MARCH 5-8, 1962

REA DIRECT LOAN ACCOUNT

Whereas the Food and Agriculture Act of 1962 as introduced in the Senate and the House contains in title V an amendment to section 3 of the Rural Electrification Act of 1936 which would create an REA direct loan account; and

Whereas the proposed direct loan account would reflect more clearly than present procedures the fact that the REA program is a loan program, not a program of Government grants or expenditures: Now, therefore, be it

Resolved, That we support the amendment of the Rural Electrification Act to create the direct loan account; and be it further

Resolved, That we strongly oppose any attempts to add any crippling amendments to this provision.

OREGON-WASHINGTON
PEA GROWERS ASSOCIATION,
Milton-Freewater, Oreg., March 1, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The Oregon-Washington Pea Grower's Association represents 35,000 acres of green peas for canning and freezing in northeastern Oregon and southeastern Washington. This is approximately 60 percent of the free tonnage of this crop in the area.

This association is opposed to any legislation or regulation which will permit the production of green peas for processing on those acres which will be set aside from wheat production, as written in the proposed Food and Agriculture Act of 1962.

We realize that these acres are at present intended for soil conserving purposes, or are to be taken out of production of any commodity that may be in or near a surplus situation. It is in this light that we would like to emphasize the fact that should

these acres, either by administrative action or regulation, be made available for the production of green peas, it would most likely be detrimental to the well being of pea producers.

Your consideration and attention to this matter will be greatly appreciated. Will you please keep us informed of further developments.

Sincerely,

ORLO S. CARVER,
Executive Secretary.

HERMISTON, OREG., May 23, 1962.
Senator WAYNE MORSE,
Washington, D.C.:

We urge you to support Ellender amendments to S. 3225.

HARRY PROUDFOOT.

ECHO, OREG.

GERVAIS, OREG., March 9, 1962.
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: As cooperative members, we are entirely in agreement with the intent of the 1951 Revenue Act and urge legislation to that effect.

We favor the continuation of the agricultural conservation program.

We favor the proposed wheat and feed grains program. Production must be brought into balance with use, before farmers will get a fair return for their efforts.

We have farmed in the Willamette Valley for 39 years.

Thank you for your good work for the creeping red and chewings fescue committee before the Tariff Commission.

We enjoy reading your letters. Good luck in November.

Very truly yours,

ROBERT M. HARPER.
VERA P. HARPER.

ATHENA, OREG., May 22, 1962.
Senator WAYNE MORSE,
Washington, D.C.

DEAR SENATOR MORSE: As a farmer-rancher and one of your supporters who doesn't spend much time in politics, I want to put myself and my family (about 40 of us more or less) on record as opposing the new feed grain restrictions in House bill 11222.

We are already at the mercy of the Midwest on feed grain availability and prices. Our land the Government spent so much for so long to conserve is eroding away because it is supposed to be left out of production. What we need is to allow wheat as a feed grain as the Wheat League wishes and be allowed unrestricted planting of feed grains.

I hope you can do something for us.

BILL JOHNS.

IONE, OREG., March 11, 1962.
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR MR. MORSE: This letter concerns Senate bill 1786, The Food and Agricultural Act of 1962.

As a grain farmer in the Pacific Northwest, in northeastern Oregon, I would like to have your utmost support for this bill. I am a member of the Oregon Wheat Growers League and feel that their recommendations for this bill is necessary to this area.

I am also a Farm Bureau member and I can say that I cannot go along with their national farm program or the farm program Senator BOURKE B. HICKENLOOPER has introduced.

I am also concerned about the 30 million bushels of Pacific Northwest white wheat that the CCC is planning as a carryover. We feel approximately 15 million bushels would be sufficient. This would give us 15 million more bushels for export and also cut down on the surplus.

Sincerely,

ROBERT H. JEPSEN,
Public Relation Chairman, Oregon Wheat League.

McMINNVILLE, OREG.

HON. WAYNE MORSE.

DEAR SENATOR: I am writing you in regard to the Kennedy-Freeman farm bill. The version sent to the Senate floor by your Senate Agriculture Committee isn't so bad, but it undoubtedly will be changed back to try and conform to the one on the House floor (H.R. 11222) and that bill I feel we can't live with. It will completely stifle the initiative and ability of a farmer to get ahead, and will make just another Government hired hand out of him. Inasmuch as you own a farm yourself, I felt you should be in a position to see the danger in this sort of approach to the farm problem.

Respectfully,

M. E. TOLIVER.

LA GRANDE, OREG., May 19, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Opposed to agricultural bill S. 3225. Favor S. 2786 as revised.

DALE CARSON,

SUMMERVILLE, OREG.

VALE, OREG., May 19, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Please oppose Senate bill 3225 or any amendments from Senate bill to S. 2786.

JOHN G. TUCKE,

President, Malheur County Farm Bureau.

VALE, OREG., May 19, 1962.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Please oppose Senate bill 3225 or any amendments from bill S. 2786. This is bad policy for farmer.

KAY NAKAMOTO,

Chairman,

Willowcreek Farm Bureau Center.

PENDLETON, OREG., May 17, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Please amend S. 3225 to its original feed grain bill.

ORVIL CUTSBORTH.

MAUPIN, OREG., May 14, 1962.

HON. WAYNE MORSE,
Washington, D.C.:

DEAR MR. MORSE: We are writing to you to see if you can give us any help on the farm bill proposal. We understand it has passed the Agriculture Committee by only one vote. Naturally we are against any more cuts in acreage allotments for wheat by reason that the average family will not be able to survive with another cut. There will be no choice, but for the farmer to vote "yes" when we are told that the Government will ruin the market otherwise.

I was raised on a farm and my husband was born and raised on this farm which has been in the family for 50 years. We had hoped one of our children would also carry it on, but there is no incentive left for them.

Originally we had 550 acres of wheatland a year. With the last cut, it went to 318 acres. Another 20-percent cut would not even make farm expenses, let alone a living for our two families.

Expenses continue on at an ever-climbing rate with repairs, replacements, gas, fertilizer, taxes, etc., but income keeps dropping. Have been keeping books on our family living, and find we are spending under \$200 a month, not buying except for essentials, so this isn't the high living we are accused of.

A good many will have to leave the farm if the present plan goes into effect taking jobs away from other men or going on welfare in many cases. I wonder, too, how much thought has been put to how this will affect other industry, such as tire and equipment dealers, and the loss of revenue from income tax.

The farmer has always been dedicated to his work. He has to be or he wouldn't stick it out with the poor pay and long hours—in our case 12 hours a day, 6½ days a week.

We have sold our wheat on the open market for several years—so the Government is not supporting us. Our wheat in the West certainly has no surplus from recent years. We can't diversify because of lack of water.

When we are dictated to at every turn and cut and cut then this is no longer the free country we believed it to be.

Sincerely,

DONA L. MAYDEW,
Mr. and Mrs. Leland Mayhew.

ENTERPRISE, OREG., May 23, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Wallowa County Stockgrowers Association vigorously oppose the present administration farm bill.

HOWARD M. JOHNSON.

VALE, OREG., May 20, 1962.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Please vote against bill S. 3225.

ALBERTA and DON DELONG.

SALEM, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Polk County Farm Bureau members, we protest the passage of bills S. 2786 and S. 3225.

Mr. and Mrs. ROLLIN BEAVER,
Publicity and women's chairman.

MAUPIN, OREG., May 21, 1962.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

We strongly urge you to oppose S. 2786.

MEMBERS, SOUTH WASCO COUNTY
FARM BUREAU.

ONTARIO, OREG., May 19, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Please oppose S. 3225 or any amendment from S. 2786. Very poor bill for farmers.

RUSSELL FULLETON.

ONTARIO, OREG., May 19, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Please oppose S. 3225 or any move to substitute provisions of S. 2786. Important to we farmers.

JOE and IRENE HOBSON.

THE DALLES, OREG., May 21, 1962.

HON. WAYNE MORSE,
U.S. Senate, Senate Office Building,
Washington, D.C.:

DEAR SIR: In expressing the wishes of North Wasco County Farm Bureau it is our hope that your vote will be "no" on the Farm Bill, S. 2786.

Sincerely,

ALBERT FRANCOIS.

SALEM, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Please for America and freedom defeat S. 3225 and S. 2786. Pass voluntary cropland retirement program.

WAYNE HEIBENTHAN,

President, Polk County Farm Bureau.

BAKER, OREG., May 21, 1962.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

No compulsory farm legislation. We are not in favor administration's bill over amended form S. 3225.

PETE SCHOENINGH,

President, North Powder Center Union
County Farm Bureau.

ONTARIO, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Vale Farm Bureau Center urges you oppose Farm Bill S. 3225.

BEN JUSTUS,

Chairman.

ONTARIO, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

We urge you to oppose farm administration bill, S. 3225, calling for tighter farm control.

Mr. and Mrs. FORD NELSON.

VALE, OREG.

LA GRANDE, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Urge vote against Senate bill 3225. Unfair.

F. M. KOVACH.

HOLDHILL, OREG., May 22, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

We do not favor Senate bill 3225 and amendment or substitute.

ERNEST RADOMSKA,

Chairman, County Farm Bureau.

IMBLER, OREG., May 12, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Union County Farm Bureau opposes return of administration amendments to Senate farm bill S. 3225.

H. CLAYTON FOX.

BAKER, OREG., May 21, 1962.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Not in favor compulsory farm regulations, especially administration's bill. Prefer S. 3225, or better, Benson plan.

JACK WILSON,

Chairman, Livestock Committee, North Powder Center Union; County Farm Bureau, North Powder, Oreg.

YAMHILL, OREG., May 21, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Get the Government out of agriculture. Vote "no" on S. 3225.

WALDRON JOHNSON.

HOOD RIVER, OREG., May 21, 1962.

HON. WAYNE MORSE,
Washington, D.C.:

We urge you to minimize Government control in S. 2786 as much as possible.

ROBERT O. TALLMAN.

HOOD RIVER, OREG., May 20, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Violently oppose S. 2786, counting on you to vote "no."

SIDNEY BABSON.

PARKDALE, OREG.

HOOD RIVER, OREG., May 20, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Urge you to vote "no" on S. 2786. It is step in wrong direction.

R. W. ARENS.

PARKDALE, OREG.

HOOD RIVER, OREG., May 20, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

Please vote "no" on S. 2786. It gives Secretary of Agriculture too great power.

J. P. BOOPER.

PARKDALE, OREG.

LA GRANDE, OREG., May 21, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

I oppose S. 3225, and all of the neighbors I have contacted are definitely opposed.

BERNAL HUG, Jr.

ELGIN, OREG.

LA GRANGE, OREG., May 23, 1962.

Senator WAYNE MORSE,
Washington, D.C.:

I and others in community are strictly against farm bill S. 3225. Must eliminate controls.

R. K. WALLER.

ELGIN, OREG.

YAKIMA, WASH., May 23, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Am against farm bill's compulsory quota provision regards feed grain and poultry. Maintain free enterprise.

FRANK and MARIE DENSEL.

HERMISTON, OREG.

UNION COUNTY FARM BUREAU,

Island City, Oreg., March 28, 1962.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR MR. MORSE: Union County Farm Bureau legislative committee representing the members here oppose S. 2786 because such rigid controls of production and marketing as proposed, would, reduce farm efficiency and remove much of their incentive.

This bill calls for a major extension of Government efforts to fix farm prices and restrict or ration the right to produce farm products. Individual farmers themselves should be left the opportunity to make adjustments for changing conditions.

Generally, we oppose the excessive power or authority this bill would grant the Secretary of Agriculture. Specifically, we oppose the power to determine the amount of national marketing quota and national acreage allotment; the amount the national quota is to be reduced to permit disposal of CCC stocks; the portion of estimated exports to be covered by export certificates and the value of such certificates, and the levels of price support for the three kinds of wheat—domestic, food-export and noncertificated.

The controls proposed by S. 2786 would lead to inefficiency rather than efficiency. The future of agriculture lies in producing for the market, in producing the things for which consumers indicate a preference by the way they spend their money in the marketplace. This means that the price system must be allowed to guide changes in production and consumption.

With these points in mind the members of Union County Farm Bureau strongly urge your support in opposing this bill.

The following is a brief outline of a program which we feel would make for a more free and prosperous agriculture:

Farm Bureau favors a practical, voluntary land retirement program to accelerate the adjustment of farm production to effective market demand.

It would call for legislation to:

1. Provide opportunity for the renewal of expiring conservation reserve contracts.

2. Authorize new long-term contracts for cropland retirement on purely voluntary, competitive basis.

3. Remove from production the additional cropland, if any, necessary to balance output and market demand on an annual contract basis, as a qualification for price support on certain commodities.

Very truly yours,

CLAYTON FOX.

Chairman, Legislative Committee.

SUMMERVILLE, OREG., May 19, 1962.

Hon. WAYNE MORSE,
Washington, D.C.

DEAR SIR: I urgently ask you to oppose Senate bill 3225, the administration farm bill.

I sincerely believe this drastic approach to our farm problem could do nothing but entirely upset our farm economy.

Again, I urge your opposition to this bill.

Respectfully submitted.

HENRY W. FRIES.

SUMMERVILLE, OREG., May 19, 1962.

Hon. WAYNE L. MORSE,
Senate Office Building,
Washington, D.C.:

DEAR SIR: We sell 650 market hogs each year and we do not feel the Government is honest or fair competition. I am opposed to compulsory Government control of farming, particularly the proposed administration feed grains section of Senate bill 3225.

This country was built through private enterprise initiative and we should do nothing to kill this drive by private citizens willing to risk everything they own in order to produce food and fibre.

We feel the wheat allotment program has not proven flexible enough to allow farmers here to take advantage of the need for soft white wheat. We are aware that we could produce more soft white wheat if it weren't for rigid government controls.

Therefore, I am opposed to the proposed compulsory farm program as recommended by the present administration.

Vote "no" to S. 3225 (formerly S. 2768).

Thank you,

GRANT HENDERSON.

ALICEL, OREG., May 21, 1962.

Hon. WAYNE L. MORSE,
Senate Office Building,
Washington, D.C.

DEAR SIR: Senate bill 3225, the blueprint for socialized farming, is not in the best interest of the farmers.

Other countries who are suffering under government control of food production are an example that we would be taking a backward step if we were to approve of the administration proposals for agriculture.

Your help in defeating this bill will be appreciated. The farmers can and will adjust to the law of supply and demand if given a chance to operate freely.

For instance, I have a large family (seven children) to support. It would be impossible for me to provide even the necessities for them if we are forced to curtail even a small part of our farming. The wheat problem is an example of what happens when government dictates what, where, and how much we can plant. Let's leave it up to the managers (owners) of the land to use it as they

feel practical. We do not need socialism in America.

Please vote "no" to S. 3225 (was S. 2768).

Yours truly,

HOWARD J. HENDERSON.

HERMISTON, OREG., May 20, 1962.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SIR: The following is in reference to the Senate farm bill S. 3225. I sincerely hope you will direct your efforts to the defeat of this bill as it is not good for the overall agriculture program or the public's interest.

1. This bill is in direct opposition to the basic desire of a farmer. Most farmers wish to be independent businessmen and produce from the soil the crops best fitted to their soil and those they can produce most efficiently.

2. Because of continued additional acreage cuts and restrictions most wheat farmers are now operating inefficiently. We have a great deal invested in equipment which is not being used to capacity and many cannot maintain their help full time. We are gradually being squeezed down to the point that we can't stay in and we can't get out.

3. Because of the high support price on wheat many acres in nontraditional wheat areas are now producing wheat with very high yields due to the use of fertilizers and irrigation. This bill will not eliminate these areas and their production accounts for the majority of our surplus.

4. This bill does not treat equally the traditional wheat areas, which use summer fallow, with those areas which have an annual crop. For this reason, the choice between a 2-year extension of the present emergency program and a wheat certificate program is no choice. To properly farm summer fallow areas our costs and operations are the same as if cropped but without the crop income.

I believe Senate bills S. 2823 and S. 2822 are more sound and would be more realistic in solving our agriculture problem. I have thought of you as one who has always stood for the rights of individuals and I believe now is the time for you to take a definite stand against strict Government controlled agriculture as opposed to the farmer's individual rights. I feel that the threat by Government to farmers to conform to their program or face bankruptcy because of surplus dumping is intolerable.

I feel that any attempt to put strict production controls on the dairy farmer would not only be unworkable but would be disastrous to this industry.

I sincerely hope you will consider the above comments and I again recommend defeat of Senate bill S. 3225.

I would appreciate receiving a copy of the 1962 Yearbook of Agriculture, "After 100 Years," if you still have any available.

Sincerely yours,

S. HAROLD BEACH.

IMBLER, OREG., May 20, 1962.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: I was surprised to learn yesterday that S. 2225, which I believe is the number of the administration farm bill, had been reported out of committee and was scheduled for consideration on the Senate floor tomorrow. I have read this bill and have read much of the comment and argument both for and against it. I believe this to be an extremely dangerous piece of legislation. That is why I was surprised it came out of committee and was scheduled for such speedy floor action.

This program takes us in the wrong direction. First, it freezes the production of each commodity that comes under the allotment

program right where it is. We have already had too much of this. Example: (1) The Northwest could sell more white wheat, but we can't produce it and we are prevented selling what we do have by the Secretary of Agriculture. The allotment program effectively keeps the Northwest from producing wheat that is wanted and keeps other regions producing wheat that is not wanted. (2) Cotton: The same process is working. When Mr. Nehru was here 6 months or so ago he tried to buy a substantial amount of quality cotton, but while we have lots of cotton our Secretary of Agriculture had to tell Mr. Nehru that we were short of good cotton and could not fill his order. As with wheat, the areas that can produce the kind of cotton Mr. Nehru and most of our own industry wants is held down and the areas producing the less desirable kinds on today's markets are helped stay in production. Both commodities are froze where they are with no chance of making necessary adjustments to meet changing markets and demands. Suppose some years back we had required every manufacturer who had a history of making farm wagons or harness for draft horses during a given period to continue with those products instead of changing to something that was needed more. Ridiculous comparison, perhaps, but the same idea.

Second, it puts each farm in a straitjacket. My own operation consists of 50 to 60 Hereford cows, 150 to 200 hogs per year, wheat has run 112 to 118 acres since allotments became effective, most years about 50 acres of seed peas grown under contract, with hay, pasture, and feed grain to match the livestock. About half our land is subject to flood some years, only part of it is satisfactory for pasture because of the location of the water, and about half of it is unsatisfactory for peas. Now, put all the grain crops under allotment; figure out a non-soll depleting base to be kept just right (it has to be big enough but you are afraid to let it go over the minimum, especially when you are already high as I am; because you never know what year will be picked for a base for some new version of a program); decide where you can put your diverted acres to raise the least hell with things if you get a flood or some other unpredictable thing happens (and in my instance the diverted acres will have to be fenced hog tight because our hogs have the run of the ranch from about August 15 until spring). Add all these circumstances together and you can see why farmers are objecting to this "straitjacket" type of program.

I agree with Mr. Freeman that the size of our agricultural plant must be cut. I do not agree that the best way to get all the cut is to cut a corner off each farm. This retires the land but leaves the other factors of production, labor, and capital, to be applied to the remaining land thus partly nullifying the expected results of the cut. I think a large part of the reduction could be obtained voluntarily if whole units were allowed to go out. This would retire all the factors of production—not just one. It would leave remaining units more efficient.

Third. This legislation places too much power in the hands of the Secretary of Agriculture. Reflect for a moment the power that office has over our entire food supply, in the production and marketing fields, under this type of legislation. I am not questioning the integrity of anyone, but I do question the ability of any human mind to administer such a far-reaching program as is contained in this bill without developing more and more of the inequities and dislocations we have seen develop under our previous farm programs—much less complicated than this one. I am enclosing an article appearing in a recent farm magazine which illustrates these points better than I can.

If you have read this far, Senator MORSE, I wish to apologize for not writing more briefly. However, I feel very strongly about this. I think there is more reason for the farmer to be discouraged today than there was in the 1930's. At that time we always had the feeling that we would work our way out to something better. But today it looks like we are sure to go under the hammer of big Government bureaucracy where all our business and economic problems will be drug through the quagmire of political bickering. From this there is no return. I am mindful of the many good things that has been accomplished with the aid of Government in the field of agriculture. But when Government tries to concern itself with individual farm and commodity detail to the extent envisioned in the pending agricultural legislation I see nothing but trouble for everyone.

Sincerely yours,

BEN L. ROBINSON.

COVE, OREG., May 19, 1962.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR MORSE: The administration's farm program is in reality offering the farmer an ever devaluating dollar in return for the freedoms his forefathers fought and died for. Which do we value, our freedom or an easy dollar?

The farm products that the Government has interfered with are the ones that are in trouble today. The farm products that have not been tampered with are in a more healthful economic situation. The Government should ease the surplus and ease away from supports and controls.

Sincerely,

M. M. LEWIS,

Rancher, Wheat and Cattle.

ENTERPRISE, OREG., May 20, 1962.

SENATOR WAYNE MORSE,
Washington, D.C.

DEAR SIR: Farming offers a man such a freedom as no other form of life. Now some officeworkers have come up with a plan to destroy the farmer's freedom.

Let's have supply and demand. The cattleman makes a good living without price supports and allotments.

We are opposed to the proposed Freeman farm bill in its entirety.

Sincerely,

NORMAN and DOLORES BEACH.

Mr. ELLENDER. Mr. President, I wish to say only a few words with respect to the pending amendment and the reason for it.

For the past 5 years the Committee on Agriculture and Forestry has been attempting to strike from the present law the 55-million-acre minimum which was fixed in 1938 when the wheat law became effective. As the law now reads, the Secretary of Agriculture is prevented from curtailing the production of wheat if the acreage planted to wheat is 55 million acres or less.

When that law was enacted in 1938 the production of wheat was 13.2 bushels per acre. Today the production of wheat has increased to 26.2 bushels per acre. We are still confronted with the same minimum acreage provided in the law. That, to my way of thinking, has accounted for the enormous surpluses of wheat which have been facing our country for quite some time.

Since the war the United States has been accumulating wheat to the point that today there are on hand 1.2 billion bushels, a little more than a year's sup-

ply. The money tied up in the wheat now on hand aggregates \$2.5 billion.

The PRESIDING OFFICER. The time of the Senator from Louisiana has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 more minutes.

Mr. ELLENDER. What we seek to do is to provide for a new approach on the wheat program. We are desirous of changing the present law.

There is proposed some permanent legislation referred to as the 2-price system, which I believe will work. An amendment was submitted by the distinguished Senator from South Dakota [Mr. MUNDT] to give an option to farmers, to vote either for the permanent program which we seek to provide under the terms of the bill, or for a continuation of the emergency program, which is in effect this year, for 2 years thereafter. At the end of those 2 years we would revert to the old law which has given us so much trouble.

The object of my amendment is to strike out that alternative, because to me it would be senseless for us to authorize the temporary program for 2 more years, since it would cost the taxpayers, according to the most recent estimate \$333 million per year to reduce wheat production by about 100 million bushels. In other words, it would cost the Government \$3.30 per bushel to curtail production of 100 million bushels of wheat per year.

The emergency program, under the Senator's proposal could be extended for 2 more years. Worst of all, after the 2 years had elapsed with very little reduction in our surpluses of wheat we would revert to the old law which has caused us such expense.

Senators should by all means vote for a permanent program. They did so in the past. Three or four years ago we succeeded in passing a law which would have reduced the minimum acreage from 55 million to as low as 42 million, but unfortunately the bill was vetoed by the President. The next year, in 1960, the Senate passed another bill that would have had the same effect, but somehow our friends across the Capitol did not favor it, and I understand that much pressure was exerted through certain channels not to bring the wheat bill up. So the effort of the Senate to reduce acreage in keeping with what we believe is necessary to produce what we need has failed. Now we have ample opportunity to accomplish that objective and thereby decrease the cost of the program.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I should like to take a few minutes to squeeze some of the fantasy out of the administration's proposals for new farm programs. I should like to devote myself particularly to the promises that the program would cost less and less, until

it would cost nothing further. The administration might as well go further and say that eventually the program would bring in enough money to the Treasury to pay the national debt, because their conclusions and proposals are that fantastic.

The administration's proposal would require all of our wheat and feed growers producing over a certain amount to go into the program. Last year more than 40 percent of the feed grain producers participated in the program for feed grains. Next year all farmers would be required to participate. Last year the program cost \$825 million in payments and administrative expenses alone. We can conclude that if it cost \$825 million to bring in 40 percent of the farmers, it would cost a great deal more to bring in nearly all of the farmers.

But the administration goes further than that. We are told, "Next year we will make generous payments to the farmer for not producing, not only for 1 year, but for 3 years." What would the increased cost be? In the first place, thousands of police would be required to handle the program, to police most of the farms of America, at least half to two-thirds of all farms. Several thousand employees would be required in order to begin to do the job of policing the farms, the handlers, and the processors. Certainly those employees would not quit their jobs at the end of the 3-year period. They would be in office for life. The proposal is one for job perpetuation. Under the program which was in effect from 1958 to 1961 the Department was beginning to find that there were many employees whose services were not necessary, so the proposed program would not only perpetuate all the jobs now in the Department but would also create a need for many thousands more.

Generous payments were promised to the farmers. Last year the Department paid the growers of grain sorghum and corn alone \$782 million. To that amount should be added probably \$50 million in administrative costs.

It is estimated that under the proposed program corn and feed grain farmers would be paid \$500 million the first year, \$400 million the second year, and \$300 million the third year, which would be 1965. The wheatgrowers would be paid \$250 million for 1963, \$200 million for 1964, and \$175 million for 1965 for diverting acreage.

If \$782 million did not suffice for corn and grain sorghum last year, how would \$1,200 million suffice for the next 3 years?

Of course, the answer is that the producers would receive a steadily increasing price for the commodity.

But how would that program fit in with the pledges of the administration to the consumer that costs are not to be raised? It is assumed that no costs of the dairyman and poultryman and livestock produced would be raised, although the farmer would receive a much higher price for his wheat, his corn, his sorghum, and his oats. The fact is that the dairyman, the poultryman, and the beef producer would pay a much higher price for his feed. It is said that the con-

sumer would not pay any more. That statement is sheer nonsense. The entire proposal is so fantastic that it is almost impossible to analyze it.

Anyone with a primary school education—he would not even have to have a sixth-grade education—would realize how fantastic is the proposal.

The amendment would require all the giveaway wheat and all wheat sold under Public Law 480 to be included in the primary market. With such wheat included in the primary market, it could not help but mean an added cost, because certificates eventually paid out of the Federal Treasury would be issued for all of the giveaway export wheat.

It is the announced intent of the proponents of the plan to get the price as near as possible to 90 percent of parity, or \$2.20 a bushel. Obviously that would also cause the certificate to cost more. After certificates are issued for the export wheat, then under the Government giveaway programs the Government would proceed to give the wheat away; and the higher value placed on the wheat under the program would mean a material addition to the export costs. The added export cost could run into several hundred million dollars of expense.

The way to judge the promises of persons or departments is to look at past performances. Let us look at last year's performance under the special emergency feed grain program. We were told that there would be a 500-million-bushel reduction in the carryover of corn and sorghum, but on January 25 of this year the Department had to admit that the carryover of corn and sorghum would probably be reduced about 210 million bushels.

On April 1, 1961, the Commodity Credit Corporation had commodities with a book value of \$5.7 billion. A year later, on April 1 of this year, the book value of the commodities being carried was \$6.1 billion. Besides, last September, in order to hold down apparent costs, it was decided, in order to make the transaction look better, to discontinue the practice of carrying storage and other charges as a part of the value of the commodity.

The Department points this year toward selling 785 million bushels of corn and feed grains out of CCC stocks. What is not emphasized is the fact that it expects to take into Commodity Credit holdings this year 800 million bushels of corn and grain sorghum from the 1961 crop.

But the real joker is that the public is not told that the 785 million bushels of corn and feed grains being sold was taken in at a cost of \$1.06 a bushel for corn, and the 800 million bushels that will be taken in this year are costing \$1.20 a bushel for corn, with a corresponding higher rate for grain sorghum.

Furthermore, some may think that we are foolish or ignorant enough to assume that it does not cost anything to move the commodities in and out of storage. I do not believe that transportation and handling are free yet. Certainly, the shipment of 34 million bushels of wheat from Kansas to Texas to

be stored was not a free job. Shipping 20 million bushels of sorghum to the California coast to be put into permanent storage was not done free of cost to the Government. So we would have to add the cost of moving grain in and out of Government storage to the cost of the 1961 program. The estimates of savings over the previous program are inaccurate and misleading.

They are based on what would have been produced, rather than on what actually was produced. They ignore the fact that farmers had indicated an intention to plant several million acres less of corn, and they use such estimates for purposes of convincing Congress. They also use the same acres twice. Corn acreage was used for the production of soybeans, and then, in the estimate of savings to the Government that was supposed to result, the Department includes the same acres as if they had been planted to corn.

How they can get anyone to believe it, I do not know. Certainly they cannot get me to believe it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. I yield myself 1 more minute.

The program last year resulted in a big increase in farm income, it is claimed. However, those people who make that claim failed to inform the public that that big increase in farm income came during the months of January, February, and March, before they had a chance to upset the previous program, which was working, and put into effect a program that will not work.

The 1961 feed grain program failed. If I had time, I would submit a great many figures to show where they have been misrepresenting the public. I do not want to take the time away from my colleagues in the Senate. I merely wish to say that this program which is now being proposed for wheat and for feed grains will cost infinitely more than the old program, or a simple extension of the program which was in effect last year.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. CARLSON. I yield 1 minute to the Senator from Iowa.

Mr. HICKENLOOPER. I think it would be of great interest to anyone who is interested in the farm program to read an excellent article entitled "A Farm Plan That You Run," written by Claude W. Gifford, in the June 1962, issue of the Farm Journal. It is an exposition of a substantial land retirement program. It shows the economics of it and clearly sets out that this is the most feasible and proper plan before us at this time. I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FARM PLAN THAT YOU RUN

(By Claude W. Gifford)

Do farmers have to take compulsory quotas, as the administration is suggesting? Or is there another way to cut production and improve incomes?

There is, say three Purdue farm economists. They are the main authors of a remarkable publication in which no less than 23 State agricultural colleges were involved. The three economists are: J. Carroll Bottum, John O. Dunbar, and Richard L. Kohls. The publication is called "Land Retirement and Farm Policy."

The method they suggest is a voluntary land-retirement program, in which the Government would make it attractive enough for farmers to retire 80 million acres.

We've dabbled at land retirement before, but never really in earnest. The acreage reserve became a drouth relief program. The conservation reserve didn't bite deep enough to be effective. The feed grain program isn't getting long-range adjustments.

The voluntary plan that the Purdue economists propose is outlined at the top of this page. It is so significant that Farm Journal sent me to ask the questions you yourself would ask.

Then you believe that we have to really cut production in order to have higher farm prices and farm incomes?

KOHLs. Most everyone agree on that. The argument is over four ways of doing it: with a free market, compulsory quota controls, mandatory land retirement, or with a voluntary land-retirement program.

We think the voluntary land-retirement program should be seriously considered. It is the least painful, the cheapest, and keeps the most freedom.

How much would the payments run per acre in a voluntary program?

BOTTUM. We retired 28½ million acres in the conservation reserve with a national average cost of \$11.85 per acre. And farmers offered another 3½ million acres at the time. If we had taken all 32 million acres, this would have cost \$379 million per year. But you have to take more acreage to be really effective.

DUNBAR. We could retire an additional 50 million acres by offering \$16 to \$18 per acre rent. People would stand in line to get in. That would cost the Government about \$850 million—a total of \$1¼ billion for the 82 million acres. To be safe, let's say it would cost \$1½ billion to retire 80 million acres and get it into grass, timber, watershed development, and recreation.

But wouldn't the Government just get low-producing land; wouldn't you have to retire some good, high-producing land, too?

BOTTUM. Yes; you take out poor land first. But that's not bad. You not only retire the most production at the lowest cost—but this is the land that should be retired and put into other uses.

In a voluntary land-retirement program, farmers can either raise the crop or rent the land to the Government. They'll do what they think is best for them. In Indiana, it costs about \$46 per acre to plant and harvest a corn crop on 50-bushel land. On 90-bushel land, the cost is around \$56. Figuring corn at \$1.10 a bushel, the net return on the 50-bushel land would be \$9 per acre; the net on 90-bushel land, \$43.

It takes about a five-times-larger rental payment to get the 90-bushel land into the program. So, with other things equal, you can retire around 5 acres of the lower-producing land (about 250 bushels of production) for the same cost as retiring each acre (90 bushels of production) of the better land.

What kind of crops would be retired on the 80 million acres?

DUNBAR. It would follow somewhat the same pattern as the 28½ million acres that were put in the conservation reserve. About 15 million of those 28½ million acres, or 53 percent, came out of feed grain and soybeans; 17 percent out of hay and pasture; 11 percent out of wheatland; 9 percent was idle and summer fallow land; and 3 percent

came out of southern allotment crops—cotton, peanuts, rice, and tobacco.

If you went up to 80 million acres, you'd get a large proportion of the high-profit crops. For instance, the 3 million acres of wheatland that were retired in the 28½ million in the conservation reserve would increase substantially. You'd also take a much bigger bite out of southern allotment crops.

How much would this cut overall production? And would this reduce the surplus crops—or all crops?

BOTTUM, DUNBAR, AND KOHLs. We estimate that it would reduce farm output about 5 to 8 percent a year. This is ample when you consider that the CCC accumulated about 2½ percent of our yearly production between 1953 and 1959.

Farmers would soon adjust voluntarily from one crop to another, keeping supplies and prices in reasonable balance. Even a strict control program wouldn't come up with precise adjustments commodity by commodity.

Would the bidding be similar to what was tried in some States in the 1958 conservation reserve?

DUNBAR. It would be an improvement in that the county committee would suggest a "fair" rental so that you would have a guide. You could then bid your farm in lower than this if you wanted to.

We'd suggest a premium for signing whole farms and for longer sign-ups. The same land should be retired for the life of the contract. The idea is to get land into other uses, not just rotate it around in a crop program.

Why take out whole farms rather than part farms across the board as in the feed grain program?

BOTTUM. You retire more production at lower costs when you take out whole farms; and you help more people make changes. Some farmers would retire from farming earlier; others would use their land-retirement payment as security while getting located in a job or in a small business.

The free market, or tight controls, would both force people out of farming. With a voluntary program, you help those people who want to leave.

Would acreage payments have to be boosted each year to keep up with increased yields? And would this program call for perpetual cost, year after year, with no chance of shucking it?

DUNBAR. We'd expect that after the major adjustments were made, we could gradually reduce the cost.

It will be easier for the Government to ease out of this program than out of quota controls.

As an individual, you can stay out of a voluntary land-retirement program—or you can sign up and leave when your contract expires. You decide, not the Government.

What about the charge that retiring whole farms is hard on local businesses, and ties up land that young fellows want to buy or rent?

BOTTUM. Young fellows can see the land sitting idle and, of course, this irritates them. But if someone doesn't retire land, no one will make much money, and young farmers will have a harder time getting started. Under a voluntary land-retirement program, the owner often will retire earlier and will sell his land sooner than he otherwise would.

Slightly more than 70 percent of the 28½ million acres in the conservation reserve was from whole farms. For social and political reasons, the total land in any one county could be limited.

KOHLs. Local businesses in some areas will have to adjust under any program, or under none.

On the optimistic side, a voluntary land-retirement program will put more money in

rural communities—from payments and the over-all desirable effect on farm prices and incomes.

What does this program do for the man who doesn't go in the program—and for livestock farmers?

DUNBAR. Every bushel of grain that you take out reduces the supply by that much—and this reduces the competition for the man who doesn't go in the program. Since some pasture and roughage land would be retired, this will reduce the number of cows and help dairymen and beef raisers all across the country.

Livestock farmers who also raise crops would benefit from land-retirement payments and from higher crop prices. Higher feed prices will indirectly reduce livestock numbers and raise livestock prices.

Some city folks say that land retirement is paying farmers for doing nothing—a payment for "rocking on the porch." How could you convince them—and Congress—that we ought to put up the money for this program?

KOHLs. Land retirement is "readjustment compensation" for some farmers—similar to unemployment compensation for city people. It's in the same category as urban renewal in the cities, slum clearance, job retraining, and aid for businesses and labor that are hurt by lower tariffs.

Agriculture is already doing a great deal on its own. Through its tremendous efficiency and willingness to earn less, it is giving society its food at low cost.

Nowadays, society says—and Congress concurs—that we as individuals no longer have to pay the entire cost of adjusting to economic forces beyond our control.

BOTTUM. Congress is going to have some kind of farm program. Let's hope that it will be one that will now help the problem—instead of making it worse, as in the past. There wouldn't be so many complaints if the money spent really helped solve the problem.

You believe, then, that voluntary land retirement would help preserve farmers' freedom?

KOHLs. Yes; and that's important. Managerial freedom is what runs the efficient, high-producing "engine" in our agriculture. Russia and Red China wish they had it. Ours isn't the result of just monetary incentive; it's the freedom incentive that's important.

If we don't save that, all the land that we have in this country won't be enough for the future.

Mr. CARLSON. I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I have long favored farm price supports. I believe that as a nation we long ago came to recognize that they are necessary to preserve some semblance of balance in our economy. Back during the 1930's, we had a very bad imbalance in income. In 1929 the farm economy collapsed. Shortly after that we had a great national depression.

Farm supports were talked of long before this time. In the 1920's, the first farm price support legislation ever passed by Congress was legislation sponsored by Senator McNary, then chairman of the Senate Committee on Agriculture, later Republican leader of the Senate, and still later our Party's candidate for Vice President.

On the House side, Congressman Haugen, a Republican, then chairman of the House Agricultural Committee, jointly sponsored the same legislation.

I am proud of their record as Republicans.

The first price support program ever put into effect was that under the Hoover Farm Board. It was under the Hoover Farm Board that the price of wheat and corn was first pegged. It was an attempt to do something about low farm prices. I cite this only as an example of the need for this kind of legislation. I believe that when we have programs such as these and we build up surpluses, farmers must accept some controls. However, I believe that we should use controls sparingly and only when absolutely necessary.

One of the features of the wheat certificate plan now pending before the Senate is that it would impose considerable controls. I am not opposed to this part of the plan. I do believe that the plan goes farther than it should in controls and is much more complicated than it should be. Had the bill we are considering today been the program sponsored by the Grange, the simple two-price system, I would gladly and wholeheartedly support it, and we would have little trouble getting such a program through Congress today. While the proposed pending certificate plan has many fine features, it is difficult to explain to the farmers of the Nation.

It is for that reason that I doubt the wisdom of trying to present this plan to the farmers in this very short remaining time between now and their wheat referendum, which could not possibly be held later than the middle of July.

I am opposed to the present motion by the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], which would eliminate the choice that farmers would have of choosing between the program now in effect for another 2 years or the wheat certificate plan. I do not believe it is unreasonable to give farmers this choice. The corn farmers had almost exactly the same choice some 4 years ago, when they chose between the present law and the plan that was proposed at that time. In the referendum the farmers chose the program now in effect that allows 65 percent price support and no production controls. This law has temporarily been set aside for the feed grain program now in effect.

I do hope that the motion of my good friend from Louisiana, the chairman of the committee, will be rejected, because I feel in the short time between now and the referendum the farmers would not have an opportunity to acquaint themselves with the complicated wheat certificate plan. As I said, it does have a great deal of merit, and I would like to see it tried out sometime. However, it would be in the best interest of the country if the farmers could have the choice now in the bill and more time to consider the wheat certificate plan.

Mr. AIKEN. I yield 5 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I have no argument with the distinguished chairman of the Committee on Agriculture and Forestry when it comes to a permanent wheat program. I have for years advocated a permanent wheat program. I really have no argument at all.

My difference in view, however, so far as it relates to a difference between him

and myself, lies in the fact that I do not believe that the proposed certificate plan in the bill can be put into effect without a great period of education. For that reason I shall support the committee proposal and vote against the chairman's pending amendment.

The certificate plan is not the same plan we introduced originally, for which I secured the approval of the Senate by a vote of 54 to 32 in 1936. It has many fine features. It can be sold to the wheat producer, but I do not believe it can be sold if the bill is not enacted until after July 1. I can see some reason why it might be considerably later than July 1. To spring this on the wheatgrowers of this Nation, as they are preparing the ground for seeding, would be most unfortunate, if we are really interested in giving them a permanent program. That is the reason why I am taking this time today to discuss this program in this section of the wheat bill, in which, as I have said, I have been greatly interested for many years.

I am hopeful that permanent wheat legislation can be enacted. The chairman has brought out some excellent features. I have no doubt that after an experience of a year or so, some changes will be proposed, and I am confident that the chairman will work with us to make whatever changes may be necessary.

I return to the section relating to the educational program. It is in the interest of the Department of Agriculture, as I know it is in the interest of the State ASC committees and the county committees, to enable farmers to have sufficient time in which to become thoroughly acquainted with the provisions of the bill.

Yesterday, in the debate on the feed grain amendment, the question of substituting wheat on feed grain acres or feed grain on wheat acres was discussed at considerable length. At that time I pointed out that in case a mandatory feed grain program were defeated in a referendum, it appeared most unlikely that the Secretary would permit the seeding of wheat on feed grain acres, but that with a voluntary feed grain program the Secretary undoubtedly would permit such a substitution on farms participating in the feed grain program.

However, a strict interpretation of the substitution clause contained in the proposed feed grain amendment, would not preclude the Secretary from permitting this substitution in special or peculiar circumstances upon his determination that the objectives of the program would not be jeopardized.

I ask unanimous consent to have printed at this point in the RECORD some views of farmers of Greeley County, Kans., and also a letter signed by hundreds of farmers in the western part of Kansas regarding some of the problems with which they are confronted in an area which has summer fallow and limited acreages for feed. The letter discusses the benefits of the substitution clause.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

GREELEY FARMERS' VIEWS IN CONGRESSIONAL RECORD

Chester Johnson wrote a letter giving some of his views on farm legislation, and George Stafford, secretary to Senator CARLSON, asked for comments on a State committee's reply. This led to an impromptu meeting on Thursday evening, March 29, at the courthouse in Tribune, to ascertain opinions of those present with regard to the present Federal farm programs as they apply to Greeley County.

There were representatives from all parts of the county present, although many who had conflicts could not be present, said Johnson. All who attended were actual farmers. There were about 25 present, and State Representative Jess Taylor and Robert Brunswick presided.

The minutes of the meetings were sent to the two Kansas Senators, and the two Representatives from this area.

The minutes of the meeting in Tribune were printed in the April 10 issue of the CONGRESSIONAL RECORD after Senator CARLSON made a short speech and said, "Mr. President, as this session of Congress considers farm legislation, I think it is important that we get the views of actual farm operators who work and cooperate with the programs day in and day out." He then asked that the minutes of the meeting be made a part of the RECORD, and they read as follows:

"It is believed that a large majority of those present were agreed as follows: That the present acreage allotments for Greeley County are inequitable for two reasons:

"(A) By 1951 it had become a standard practice in Greeley County to summer fallow nearly all land which was to be planted to wheat. Therefore, the acreage available to wheat had been reduced by approximately one-half before the period used for apportionment started. Other areas have adopted the practice at a later period and thereby increased their production on the larger bases apportioned to them.

"(B) Drought conditions and early spring rainouts materially curtailed feed grain production on many farms in the country during the years 1959 and 1960 which were the years used as a basis for feed grain program allotments.

This point might be summarized by stating that in this particular area the feasibility of planting any particular crop during any particular growing season is dependent upon the vagaries of the weather. This statement is much more true in western Kansas than it is in eastern Kansas. Because of the well known wind erosion problem farmers in Greeley County need more flexibility than is permitted under the present program.

It is believed that the above mentioned inequities could be corrected and the desired flexibility obtained by adoption of the following:

First. Readjustment of feed grain base, using Greeley County ASC records on the 10 years preceding the first year of feed grain controls.

Second. Combining the wheat and all feed grain bases, including milo, barley, rye, silage or feed, after readjustment of feed grain base.

Third. Permit the planting of any crop or combination of crops on the combined base. Only one harvest of the base acres to be permitted in 1 year. But, for example, if entire base is planted to wheat and wheat were destroyed before feed grain planting time, feed grains could be planted on base acres and harvested.

Fourth. It is believed that there is no surplus of the quality of wheat that is normally produced in Greeley County. Therefore producers should be permitted to plant all of their combined base acres to wheat if they desired to do so. They would then

be permitted to sell the wheat produced on their wheat base on the open market under price supports. However, if production on the wheat base acres falls below the established Greeley County average they will be permitted to market enough of the wheat produced by them, on non-wheat-base acres, to bring them up to the normal Greeley County average. Other non-wheat-base acre wheat could be sold at feed grain prices and under feed grain price supports, or carried over under bond or certificate to be sold in a future crop failure year as milling wheat under the county average quotas.

5. That because of the size of normal operations and the large number of nonresident landowners, each farm should be considered to be a separate unit for the purposes of determining compliance in any program. In other words, some landowners may desire to participate in the program and some may not.

6. That the combined base should not go below 50 percent of the total cultivated acres of any farm.

7. That since wheat harvest in Greeley County normally does not start until around July 1, the plow-up date on excess acreage under the existing wheat program should be extended to June 1.

It is believed the above would:

1. Permit operators to engage in many more desirable soil conservation practices.
2. Permit operators to plan ahead because the suggested program is far less complicated.
3. Reduce problems of administration.
4. Reduce cost to the Government.
5. Not increase surplus.

Congressmen BREEDING and DOLE indicate that it will be sometime after Easter before the farm bill is passed.

In a letter, George Stafford remarked that he thought most of the suggestions as reported by the Greeley County group would be incorporated into the wheat bill when it is finally passed.

OAKLEY, KANS., April 6, 1962.

Senator FRANK CARLSON,
U.S. Senate, Washington, D.C.

DEAR SIR: This letter is to express our opinions on the administration farm bill which is being presented to Congress. We believe this program contains many very good points and could become a definite benefit to the western Kansas area. There are some things in the bill that we feel should be more definite and some additions that could be made. We will attempt to explain our stand and would appreciate having your comments on the same.

First of all, we are very much in agreement with the interchangeable base of wheat for feed grains and feed grains for wheat. This would allow us to return to a more normal farming practice and still not be contributing as much surplus of all grains as we have been. In reality, this area would no doubt return to wheat. We realize that we would receive a lower price support for part of our wheat production based on a feed-wheat support price. It is our belief that we can farm wheat more economically than feed grains. This same interchanging base proposition would allow the return of feed grain production to the feed grain area, as it should be. Our concern is the wording in the bill that the Secretary of Agriculture may allow wheat to be grown on a feed grain base. The wording in the pamphlet received by our local ASCS officials stated on page 12, under statement No. 12 that "Wheat could be planted as part of feed grain allotment." We feel that the bill should be worded as the pamphlet and that we be assured of this system. There is no doubt that this would be a contributing factor to favorable support of this bill and if enacted, a favorable vote in the referen-

dum. Examples will follow of why we think interchangeable bases will be a key to the program as it concerns us.

We have the problem of our farms with either a very low feed grain base or none at all. We realize this was caused from the overseeding of wheat in the 2 base years of 1959-60. This was not an uncommon practice in western Kansas and was certainly permitted under the law then existing. Since we do have a very low wheat allotment and wheat is our most profitable crop, it was not surprising that farmers resorted to this system. Our basis for believing we do have a very low wheat allotment is backed by reference to our example 3, which shows a wheat allotment of 113,111 acres in 1961 compared to a total cropland of 362,134 acres. This reflects a percentage of 31 percent when a comparison is made of allotment to farmland. We believe there are relatively few areas of commercial wheat producers that have less. Our periodic and regular drought periods also contributed to this situation since many producers elected to have excess wheat to cover the year they would not be able to raise a crop or at least a very short crop. We are now faced with a situation that causes these same farmers undue hardship since they followed this route during years it was not an uneconomical thing to do. With the advent of the 1961 feed grain program and now with the new program coming up, we feel something must be done to give our producers a way to participate and exist in their chosen field. It is also understandable and agreed that the "overseeder" should not be given a better deal than the "compliers." We would like to follow a method partially based on the recent change in normal conserving adjustment procedure for Kansas and a plan that the excess wheat farmer did establish a base when he was overseeding.

We do not believe he should receive wheat allotment for overseeding but should receive a feed grain base since the wheat he now has in storage could be considered for all practical purposes as feed grain. An example, using our county as a guide, could be a method of determining the number of acres needed to give farmers an equal chance under the new program and not create additional headaches of more excess wheat being produced, will follow.

The information that has been made available to us concerning this bill has been rather derogatory. It seems that everyone wants to concentrate on the penalty provisions and few expressions are made of what the bill actually contains. We realize that not all things concerning farm legislation can be exactly as we would like to see it. The Farm Bureau bill as presented to Congress seems a rather prohibitive substitute for one that will guarantee us much more and will maintain the businessmen in our small towns. We feel the Farm Bureau bill might put as much or more money in our pockets if we could retire all of our farms but we cannot feel "good" about pushing practically all of our merchants out of business.

Our stand is this—the administration farm bill will work to our advantage, will not increase costs to consumers or taxpayers, will reduce surplus commodities, will give us more freedom to farm as we did before acreage controls, will return us to a normal farming system, will move feed grain and wheat to their appropriate areas and it will not lower our income; in fact, it could increase our income and lower our expenses.

We are signing this as farmers and businessmen and not as members of one particular political party. We believe this is a farm program that can work and ask you to support it and also our requests to make it a better program.

Thanking you for your consideration, efforts, and assistance.

Yours very truly,

FARMERS AND BUSINESSMEN OF LOGAN COUNTY AND NEARBY WESTERN KANSAS COUNTIES.

Please refer your comments and questions to the following individuals if you cannot reply to all those signing:

A. B. Kruse, Oakley, Kans.

Delton W. Hubert, Monument, Kans.

Jack Lewallen, Winona, Kans.

(See examples 1, 2, and 3 following.)

EXAMPLE 1—INTERCHANGEABLE BASES

All examples based on a 600-acre farm:

	Acres
Wheat allotment.....	200
Feed grain base.....	200
Summer fallow (normal conserving).....	200

Wheat allotment.....	200
Reduction—20 percent.....	40

Balance.....	160
Diverted.....	40

Feed grain base.....	200
Probable choice of most of our farmers— 30 percent.....	60

Balance.....	140
Diverted.....	60

Normal conserving plus diverted would equal 300 acres. This allows a farmer to plant on our old system of half wheat and half summer fallowing.

160 acres times farm wheat average times 90% times high support price for wheat

10 percent balance at feed grain price or store

140 acres times feed grain price or store for future bad years

Diverted payment:

40 acres times wheat payment

60 acres times feed grain payment

This is our understanding of the proposed legislation and if we are in error, please inform us at once.

EXAMPLE 2—OVERSEEDED FARM IN EITHER 1959 OR 1960

This farm had a 200-acre allotment in 1961.

The 1959 history: 200-acre wheat; 400-acre summer fallow.

The 1960 history: 400-acre wheat; 200-acre summer fallow.

Normal conserving equals 300-acre (unadjusted):

	Acres
Wheat allotment.....	200
Reduction—20 percent.....	40

Balance.....	160
--------------	-----

Diverted.....	40
---------------	----

Can be planted.....	160
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Summer fallowed for next years wheat.....	160
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Cannot be utilized due to cross-compliance.....	280
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This man would need 340 acres for his normal conserving and his diverted but would have 440 acres in actual normal conserving.

Since this farm may be adjusted, the normal conserving and his diverted would be 240 acres but with the cross compliance provision, he still has very little opportunity to produce a crop of any kind.

The above example may seem extreme but we do have cases of this type and quite a few not quite so severe. A very sad situation exists in that he may have overseeded in just the one year and complied in all other years.

EXAMPLE 3

This is a summary of Logan County and what we feel we need to rectify the situation. Year 1961 used in some cases since wheat allotments will be based on that year and 1962 in some cases since we have actual figures:

1961 total cropland in county-----	362,134
1961 wheat allotment-----	113,111
Summer fallow—based on normal conserving adjustment procedure using 36.7 percent of total cropland—36.7 percent represents county average-----	132,903
1962 feed grain base—using the 5 percent increase allowed under regulations-----	67,364
1962 barley base-----	8,865
1962 corn base-----	1,394
Items below based on CSS-532's:	
Sweet sorghum for dry feed-----	2,466
Rye-----	633
Dry edible beans, estimated-----	250
Oats-----	35
Total cropland acres-----	362,134
Total acres in crops and summer fallowing-----	327,021
Balance-----	35,113

The above balance would be the feed grain acres needed to bring our farmers into workable units. It goes without saying, that we would settle for less. Since, as our letter states, the excess farms should be willing to settle for something below the farmers in compliance.

This information was obtained from our local ASCS office at the request of the farmers.

Mr. CARLSON. Mr. President, the present bill would provide a wheat acreage allotment which would produce sufficient wheat for domestic food, seed, and export requirements, and the normal amount of wheat being used for feed. Certificates will be issued authorizing the sale of wheat into the domestic food and export markets at a fair price of about \$2 per bushel. Wheat used for seed and feed will be supported at a much lower price—competitive with other feed grains.

After the farmer has made his required land diversion, he will have his feed grain acres to produce feed. Now, under the certificate plan, with feed wheat priced competitive with other feed grains, it makes no difference in the total feed picture whether the feed grown is barley, grain sorghum, corn or wheat. Thus, the substitution clause is really a key to the successful operation of the certificate wheat plan, because it leaves the farmer free to choose the type of feed his land and equipment is most adapted to produce.

The other major difference between the present bill and the bushel management plan is in the pricing policy. Under this bill, certificated wheat will be supported at between 75 and 90 percent of parity. It is my understanding that the Secretary has stated his intentions of supporting the price of certificated wheat for 1963 at \$2 per bushel, and with the limited quantity of producer's wheat which can be sold into the primary market, and with the resale price from CCC stocks at \$2.10, the return to growers will be about \$2.05 per bushel.

Under my bill, the price support for certificated wheat would have been 75

percent of parity, but the resale price of CCC stocks would have been fixed at parity. Thus, under the bushel plan, returns to growers would approach full parity on the certificated wheat.

These are the only major differences between the wheat section contained in the present bill, and the bushel management plan which was introduced last fall by Senator NEUBERGER and me, and cosponsored by 15 other Senators from the major wheat States.

As I said at the beginning, I am pleased to have an opportunity once again to support a certificate plan on the floor of the Senate. With the one amendment, permitting the substitution of wheat on feed grain acres, or feed grain on wheat acres, this bill will provide a good, long-range solution of our perennial wheat problem.

Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished senior Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, all of us are aware that there are three chief issues before the Senate in connection with the farm bill. One relates to wheat, and is the matter of concern in the pending amendment. Another relates to milk. The third concerns feed grains. These issues were also before the Committee on Agriculture and Forestry, of which I have been a member for 3 years.

In committee, I opposed, as did almost all the other members of the committee, the administration program to impose allocations and quotas on the sale of milk by farmers. I did so because there have never been compulsory controls on the amount of milk which a farmer may sell. I opposed this proposal also because dairy farmers have shown in the past that they can balance the production of milk with the sale and use of dairy products. I opposed the provision, third, because I believe the administration's policy, last year—its unnecessary increase in the support price of milk—was the first cause of the increased production and the present surplus of milk and dairy products.

I mention milk and feed grains because I want to draw some distinctions between them and wheat.

The second question before the Senate will be limitation of the production and sale of feed grains proposed by Senator ELLENDER's amendment, which is the administration proposal. I voted against this proposal in committee, and it was rejected in committee by a 9 to 8 vote. Congress has never imposed compulsory acreage allotments and quotas on feed grains. I oppose the feed grain amendment for if it should be adopted, it would prohibit many farmers from producing grain to be fed out and used on their own farms. It is a radical approach and ought not be adopted by the Congress without much more thought and debate than has been given to it. It is a serious thing to tell farmers by legislative fiat that they may not produce grain for their own farm needs.

The committee revised the wheat proposal contained in the administration

plan which was sent to us. It was modified and improved largely through the efforts of the chairman. The Senator from South Dakota [Mr. MUNDT] then offered an amendment, which was adopted by the committee, which would offer farmers a choice.

The amendment of Senator MUNDT provided that farmers could vote for either the revised administration wheat certificate proposal, for a 2-year extension of the 1962 emergency wheat program. I voted against the Mundt proposal in committee. I shall vote against it today, by supporting the Ellender amendment.

I draw a distinction between wheat and the other items I have discussed, on these grounds: First, there have been no controls on the production and prohibitions against the sale of livestock feed grains and milk. But the whole history of the wheat program since 1938 has been one of mandatory acreage allotments and quotas. They have been approved year after year by wheat farmers voting in the annual referendums.

I do not believe there would be a very clear choice for farmers between the administration's wheat certificate proposal, as modified by the Committee on Agriculture and Forestry extension for 2 years of the 1962 program, for both include mandatory allotments and quotas. However, as between the two alternatives, I think the likelihood is that farmers would vote for the program they have now, which is a failure. The national minimum acreage of 55 million acres for wheat, now in the law, below which acreage cannot be reduced, makes the wheat program a built-in failure.

It is argued that we should give wheat farmers a choice. But I believe that after all these years, during which there has been the experience of the present program, perhaps there has been enough experience. We can make the decision that the 1962 emergency program cannot do anything except to continue a failure with the additional cost of land diversion payments, and that we must come to grips with the wheat situation.

A certificate plan was voted by Congress in 1956. Twice since then, in 1959 and 1960, the Senate has adopted modifications of the wheat program designed to reduce acreage by 20 to 25 percent and increase wheat support prices. But the existing program, with its old troubles of surplus production, increasing Government stocks, and high costs has dragged on. It would likely be continued under the Mundt proposal.

I summarize my position, which is the position I took in committee: I oppose any compulsory programs for milk or for feed grains because such control programs would be a radical departure from our traditional agricultural practices and philosophy. I think these proposals express an overweening desire on the part of the administration to control farmers completely.

The history of the wheat program has been one of acreage allotments and marketing quotas since 1938, but the program has not worked because of the guaranteed total of 55 million acres. As I see it, the choice offered farmers in the bill as reported would be between a

certificate plan which might solve the wheat problem—whether it will or not, I do not know—and the present program, which is a failure and will remain a failure for 2 more years, and which if chosen by farmers would raise great opposition to the whole agricultural program.

For myself, I shall vote for what I believe is the lesser of two evils. I expect to vote for the Ellender amendment.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MORTON. I concur in the statement of the Senator from Kentucky especially his comment concerning the lesser of two evils. If the Ellender amendment is adopted—and I intend to support it—I expect to offer a further amendment, which will differentiate among the types of wheat. Unfortunately, wheat is thought of simply as wheat. But there are various types, which have different end uses.

I am hopeful that the Senate will be sympathetic to a proposal which will differentiate the various types of wheat, because some types are actually in short supply today. Durum and soft wheat are in short supply, and their acreages should not be cut 20 percent, 30 percent, or whatever percentage is necessary in the overall picture, because such varieties have different end uses.

When the proper place is reached in the parliamentary procedure, I hope I shall have the support of my colleague from Kentucky.

Mr. COOPER. The junior Senator from Kentucky has had extensive experience in farming, and also in considering wheat problems from the miller's standpoint. I know he has vast practical knowledge of this subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield 10 minutes to my good friend, the Senator from Minnesota [Mr. McCARTHY].

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. McCARTHY. Mr. President, I support the amendment of the distinguished chairman of the committee, Senator ELLENDER.

First, I wish to commend him for the great patience he has shown in handling farm legislation this year, and also through the many years during which he has tried to work out a satisfactory agricultural program. He has worked not only for the crops which are of a special interest and importance to the people of his own State, but also he has taken responsibility for agriculture throughout the country. His approach has been a balanced one and a responsible one.

Through recent years he has tried many times to secure the enactment of what we hopefully call a permanent wheat program. However, I am not of the opinion that we can develop a permanent wheat program very soon; that development probably will have to extend through the years. But because

of the dedicated work of the chairman of the committee, the distinguished senior Senator from Louisiana, we have come much closer to establishing a sound formula and a sound procedure by which the solution of such problems, particularly the problem of wheat production, may be reached.

I wish to call particular attention to the table which appears on page 18 of the committee report, especially as it relates to the carryover and to the production and the consumption of wheat during the years between 1952 and 1962. The record shows very obviously that we have had a continuing increase in wheat production; and it also shows that there has not been a comparable increase in the use of wheat in the United States.

The record in regard to exports appears to be somewhat encouraging, on its face; but if we consider the fact that much of the exports of wheat have been subsidized—some of this very necessary and desirable in terms of the economics of the problem—we realize that the figures on the export of wheat really reflect a situation which is the result of the enactment of Public Law 480. So, Mr. President, it is clear that we need a program which will result in a reduction of wheat production.

Our concern here is not with milling wheat, inasmuch as in the judgment of some millers this kind of wheat is in short supply. A year or two ago we made special exemptions for Durum wheat; and in this bill we give the Secretary of Agriculture authority to provide sufficient acres and authority to arrange for the production of all the milling wheat necessary in the United States.

The wheat with which we are concerned here is that which on the whole is not used as milling wheat; it is wheat which tends to end up as feed for animals. This is the wheat which, for the greater part, is going into storage bins around the country. It is the production of this kind of wheat which we are attempting to reduce.

I believe that the choice offered by the Senator from Louisiana, the distinguished chairman of the committee, is a fair one. It is one to which the wheat-growers can respond, taking into account all the economic problems involved and their own rights as producers and as farmers who have devoted their lives and their capital and their efforts to wheat production, and at the same time realizing that they have some public responsibility and duty.

I believe the proposed referendum will have the effect of reducing the production of wheat and reducing the storage costs the Government must now bear; and I believe that when all these factors are taken into consideration, a sound choice will be made by the wheatgrowers and also by the Members of Congress.

It is interesting to note that when this administration took office last year, it proposed that commodity programs be developed and submitted to the farmers and that they be allowed to pass judgment on them by means of indicating their preference; but a great outcry arose over that proposal. It was said that such an arrangement would be almost uncon-

stitutional, and there was comment to the effect that such procedure would mean that Congress would be virtually abdicating its responsibility in connection with the matter.

This year the Secretary proposed specific programs for wheat, feed grains, and dairy products. But now it is said that the farmers must make the choice—even though last year it was said that that should not be done. Now it is suggested that the situation be cluttered up by means of the addition of four or five additional propositions, and that in the meantime the surplus should be allowed to accumulate, the cost to the Government should be allowed to grow, and the time for arriving at a sound program should be postponed.

Mr. President, I say that the amendment of the Senator from Louisiana is a worthy one which deserves the support of the Senate.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that at this time I may suggest the absence of a quorum, and that the time required for the quorum call be divided and charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, while awaiting one member of the committee who wants to be heard before the time is up, I thought I would address a few observations to the general concept of land adjustment that is carried in the bill. There is an emphasis on the whole question of recreation and the development of recreational facilities by adjusting land out of tillage and making it possible for public bodies, with whatever help is offered, either by dipping into the Bankhead-Jones Act or subsequently into other funds, to make that kind of development possible.

I think, first of all, it is conceded that, as time goes on, a great deal more will have to be done in the field of recreation and recreative land use by the Federal Government. I say that mainly because at some time we are going to have to address ourselves seriously to the general philosophical problem of the constructive use of leisure time.

For a good many years now the general retirement age for people in all walks of life has been steadily becoming lower. I think I can appreciate the time when nobody thought too seriously about retiring until he had reached the age of 75; but as the States and the Federal Government dipped into this field, and as we witnessed the development of private pension funds, we saw that age drop; and there are pressures pres-

ently, not only upon industry but upon government as well, for a further lowering of the age.

It was last year or the year before that Congress undertook, in the case of women under social security, to drop the age from 65 to 62. It is proposed now that, with the sacrifice of some benefits, the retirement age for men be lowered to 62 also. There is pressure on the Congress today to lower the retirement age in the case of railroad workers. I think we see it in other industries as well.

As a result, there is coming an increasing population of retirees who must have some constructive way to employ their leisure. It may seem proper simply to say, "That is the easiest thing that confronts humanity," but I think people have discovered that the sudden transition from a rather busy and fruitful life into a life of leisure is not quite so easy as it seems. So something must be done to provide what, for lack of another term, might be called the moral equivalent of work, for then, and only then, can those who have leisure be kept rather happy.

I think the step proposed is one in the right direction, but I am afraid it is in the wrong place. It seems to me when we deal with recreational pursuits, and land use for it, we are dealing in a predominant way with urban appeal and with urban people. As a consequence, it departs somewhat from what a measure of this kind, a farm bill, ought to pursue. That is the reason why I say I think the provision is in the wrong bill. In addition, I believe that if we are to attack the problem seriously it ought to be done on a coordinated and integrated basis.

On occasion I have thought of introducing, and I probably shall yet do so in the future, a proposal to set up in the Department of the Interior a Bureau of Recreation. It should be in the Department of the Interior, because related activities come under that Department.

In the Department of Interior there is the management of public lands. In the Department of Interior there is the authority for the general disposition of public lands and of nearly everything that relates to them. In the Department of the Interior there is the Bureau of Commercial Fisheries, and the Fish and Wildlife Service. In that Department also is found the Park Service.

All these in one way or another are related to the outdoors. I can easily see how one could coordinate them and bring them all together so far as a recreational program is concerned, then transferring from other agencies and departments of government, if necessary, the related activities to give the program an integrated and coordinated basis. Of course, the program would have to be implemented with the necessary amounts of money. This would be a direct approach which would be predicated on direct appropriations.

So far as the problem relates to land adjustment, for the purpose of achieving certain agricultural gains and certain agricultural goals, obviously cooperation could be effected between the

Department of the Interior and the Department of Agriculture. The bill indicates it is essentially designed to subserve the recreational needs of the people. It speaks of reservoirs and other things which we identify with recreational pursuits. It probably would have little real agricultural effect. To be sure, some land would be taken out of cultivation. I would rather put that land in the hands of a department or a bureau properly staffed with people who have the necessary background and the necessary touch and talent in this field, thus making them responsible for a program which would work. They could put all the emphasis on it, and could secure whatever other cooperation was necessary in order to make it quite a feasible program.

I believe it should be pointed out, with respect to the adjustment and removal of tillable land and placing it into the hands of public bodies for recreational purposes, that, among other things, the land is to be removed from the tax rolls of the communities involved. That is a fact which must never be forgotten.

That is conjoined with all the other interests which would make this a coordinated program.

In my judgment, the general land adjustment program would fit better into the Department of the Interior. There could be a cooperative effort to bring about whatever goals we must achieve insofar as supply management and the reduction of acreage and production is concerned. I hope that if that is done, certainly it will be done on an entirely voluntary basis.

Compulsion is one of the things which I find difficult to accept in the pending bill. I have not familiarized myself too thoroughly with the wheat provisions of the bill, but we are approaching a kind of compulsory attitude now which is certainly anything but to my liking, and which is a retreat from what I had always hoped would be the real goal, that is, the free market goal for agriculture and its preservation as a way of life for the farmers of the country.

It is rather amazing that it was 30 years ago when I first encountered the word "parity". I remember when the first Agricultural Adjustment Act was considered by the Congress. "Parity" was an entirely unknown term on the horizon of the country and in our agricultural lexicon. Other terms came along with it.

That first measure was considered by the Congress when Henry Wallace was Secretary of Agriculture. It was hoped then that perhaps the supply could be geared to the use of agricultural products and that, by striking something of a balance, it would be possible to give the necessary leverage to the price mechanism in a free market. After 8 or 9 years that problem was not solved. A substantial income for agriculture had not been achieved. Meanwhile, vast sums of money had been expended on the continuing program.

There came a solution, Mr. President, but it was an unhappy solution indeed, for it was the solution of blood which came in 1941. We could then pretty

well forget everything we had learned in the field, all the formats and all the formulas, and we could think only in terms of the "spanking" of the tillable acres of the country; on the ground that we were pursuing a very persuasive thesis, that food would win the war. It was food not only for our own people but also for our military forces. It went further than that; it was food for the military forces of other countries with whom we were allied in that struggle, whose manpower had to be taken from the fields of those countries.

So there was a solution, but at long last that struggle had to come to an end; and it had to be followed by some kind of an adjustment, in the hope that catastrophe in the agricultural field would not descend upon us.

I remember the struggle at that time to find a compromise formula, in the hope that we could somehow extricate ourselves from the distortions of war which affected every segment of the economy, including agriculture. It was hoped we could let ourselves down very easily and resume some kind of normal course.

But we quickly found that the old format, like Banquo's ghost, came back to haunt us. We were in the serious business of trying to equate acres or bushels or bales on the one side with our needs both in the domestic and in the export field on the other. After a long effort, 30 years after having first ventured into that field, we find ourselves confronted with the same old problem and with the same general kind of proposal except for one addition; which is that now we speak a little more lightly when we discuss the so-called compulsive feature.

I think it is one reason why not only Members of both the House and the Senate but also more importantly, the farm producers of the country find themselves inhospitable to what is before us. How easy it was to talk about compulsion when they were talking about turkeys, the possibility of setting a base and an allotment, and putting it on a national scale. I recall being in Chicago when the turkey raisers were in convention. I know the bile and hostility with which they considered that matter.

Then came the dairy proposal as first submitted by the administration in the original bill. What hostility it created, not to speak of the severe penalties and recordkeeping which was required.

I remember the Secretary's answer when the Senator from Iowa [Mr. HICKENLOOPER] and he were discussing the question on a TV panel. He passed over the question very lightly by saying that evidently some rather overenthusiastic young gentleman in his shop had written that penalty language into the bill. That is rather cavalier treatment for language of that kind. Such attitude and approach have now descended upon us.

Compulsion is easily come by. But I am sure it will not set well with the farmers and generally with the people of the country. I know how easy it is to say that all of this can be done only if there is a referendum and if farmers

vote themselves into it. It would be a kind of self-enslavement. It is pointed out that those who produce peanuts or tobacco have no particular animus toward referendums and toward putting limitations upon their productive efforts.

I believe it should be pointed out, first, that those crops are not generically food products. Second, I point out that only a very limited amount of acreage is involved. If we consider for the moment tobacco acreage, it is a little over 1 million acres, as against 240-odd million acres that are considered in the whole feed grain and wheat field. That is quite a difference. The competitive factor is not involved. So we could hardly draw an analogy there. But compulsion seems to come to the end of the tongue very lightly; and for myself, if that is the best we can do, I want no part of any compulsive effort. I propose, after my feeble observation, to register myself against the measure that is now before us.

Mr. President, I inquire how the time stands.

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. DIRKSEN. Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, yesterday it was my privilege to comment in some detail upon the amendments offered by the Senator from Louisiana. I support those amendments, the first being called the wheat amendment and the second the feed grain amendment. I do so particularly in the first instance—the wheat amendment—because I think the choices that ought to be offered to the wheat producers, in light of the current supply of wheat, should be narrowed to a program of allotments and a certificate plan, as compared to no allotments and no certificates under an open planning or open acreage program with a maximum of 50 percent of parity price supports.

Some people have said that is a rather tough choice to have to make. My response is that it is a choice that in the long run will be beneficial to the farmer, surely beneficial to the taxpayer, and at the same time will meet the requirements of our domestic consumption of cereal grains, the requirements of our commercial exports, and the requirements of our international commitments.

If such is the case—and the statistical information presented to us by the Department of Agriculture indicates that my statement is true—I believe that the Ellender amendment, which would strike out one of the alternatives in the so-called Mundt proposal in the committee bill, ought to be adopted.

Furthermore, while the voluntary programs which we inaugurated a year ago have been helpful, they have been costly and have not fully met the problem. Under the voluntary programs we have the problem of the so-called noncomplier. He is the one who gets the benefit of a better market because of the cooperation of the cooperators—those

who are the compliers—but the same noncomplier who gets the benefit of a better market price, because he is under no obligation due to his failure to sign up, proceeds forthwith to expand his acreage. That is what happened in the feed grain program last year, and it is what has happened in the wheat program.

Another way of putting it is that even though a voluntary program under emergency provisions last year did reduce the overall cost of handling the quantities of feed grains and wheat that we had, and even though the voluntary program did bring increased income to the individual farm operator, that program was limited in its effectiveness in part because the non-complier—the one who did not cut back his acreage, the one who did not sign up under the provisions of the program—was able to get a free ride. He did not do anything but increase his acreage. He planted more, harvested more, and took a price that was favorably affected by the compliance of the cooperators.

The Ellender amendment seeks to remedy that condition. I think it is the sort of amendment which, if given an opportunity, could and should be exceedingly helpful.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 3 additional minutes to the Senator from Minnesota.

Mr. HUMPHREY. The central advantages of the marketing certificate program proposed by both the administration and the chairman of the committee are lower cost to the Government—which is another way of saying “to the taxpayer”—and greater flexibility for the farmers. The marketing certificates make it possible to limit the price support obligation of the Federal Government by providing a means of distinguishing between wheat for food and export, to be supported at the higher price, and wheat for feed or for export without a subsidy cost to the Government.

The present proposal has been before the Senate in one form or another on other occasions. I am hopeful that Senators who voted for it on other occasions will find it possible to vote for it now.

The certificate provides a practical means for continuing an attractive price support permanently on wheat consumed in this country while keeping the door open for gradually reducing the subsidy on exports over a period of time. That would be done by limiting the volume of marketing certificates issued, as provided in the amendment offered by the Senator from Louisiana. As long as the 1962 wheat program, which is the emergency temporary program, is continued, there will be little prospect of reducing the export subsidy cost to the Government. Nor is there any prospect that farmers can grow wheat as a feed grain in place of sorghum or barley, as both of the key advantages could be gained only by means of the marketing certificate program.

The basic quantity and income comparisons for the wheat marketing cer-

tificate program in 1963, compared with the old program in 1961, are as follows: The support price in 1961 was \$1.79 a bushel. Under the voluntary program the support price under the certificate plan was about \$2 a bushel.

The volume of production will come down substantially. In other words, there will be a saving from \$2,228 million to \$2,106 million. The carryover will be dropped approximately 200 million bushels. I believe this is the kind of program that we ought to embrace. I conclude on this note, and I ask my chairman if I am right. This program will bring about an orderly reduction in our carryover. It will not bring about a sudden cut off, but by about 200 million bushels less than the first year, which means less cost for storage, which means less loss on inventory damage, which means less waste of our land resources. Over a period of 3 or 4 years we will reduce our carryover, and at the same time insure adequate reserves for our needs, especially reducing the cost to our taxpayers while at the same time providing a minimum price support of \$2 a bushel.

Mr. DIRKSEN. Mr. President, I yield the remaining time on this side to the Senator from South Dakota.

Mr. MUNDT. Mr. President, how much time is involved?

The PRESIDING OFFICER. Ten minutes.

Mr. MUNDT. In the ten minutes remaining I should like to direct the attention of the Senate to the issues which are involved in the forthcoming vote. We have had a great deal of discussion about the advantages of the so-called certificate plan for wheat; very little about the basic issue involved in the Ellender amendment.

As I said in my discussion of this subject in Tuesday's RECORD there are a great many wheat farmers who believe that there are advantages in the plan. At the same time, there are also a great many wheat farmers and a great many agricultural economic authorities who believe the plan is not satisfactory or acceptable.

The issue before us is whether we are going to permit the wheat farmers of America themselves to decide whether or not they wish to subject themselves to the functions, to the requirements and to the authorities of a new proposal.

I confess that I am unable to follow the arguments of those who say, “This is a wonderful program, and this will be a great thing for the wheat farmer, it would protect his income and preserve his freedom, and this is a very attractive program, but we are afraid to submit it together with the present wheat program to a vote of the wheat farmers because we are convinced they will vote it down.”

I cannot understand that kind of logic.

It seems to me such a sensible thing to say, “Let us present the program, with all its fine adjectives, and with its attractive statistics, and compare it with the alternative of continuing the present program, which has been working satisfactorily from the standpoint of reducing surpluses, and which has been protecting at least to a reasonable degree the in-

come of the wheat farmer, although still inadequate and still below parity. What in the world is wrong with telling the wheat farmer that he can choose between two alternatives? Why should we tell the wheat farmers that we cannot trust their judgment? Why should we tell the wheat farmer, "We doubt your ability. We think you are too stupid and too selfish and too shortsighted to choose wisely between two possible programs for wheat"?

I am among those Senators who believe that we should not try to run everything from Washington. I say to my southern friends, who are determined to impose these new restrictions upon us, who suddenly have become infatuated with the idea of strict Government controls, that they are flirting with a dangerous undertaking which is certain to come back to plague them later. I say to them, "You may be able to get the votes on this amendment. You may be able to deny the wheat farmers of the North an honest chance to decide which program they want. You may compel them to face the ugly alternative of taking a program that you want them to take or have no price supports. You can do that, but you cannot do it and remain immune from what is going to follow."

I notice already some amendments among this great pile of amendments on my desk, which provide, so far as title I is concerned, "All right; so you want to involve the Federal Government in making recreational areas out of farm lands."

These amendments insist, in that case, that these areas be integrated areas." So far as I am concerned, I believe they should be. So far as I am concerned, we cannot spend public money, collected from all the taxpayers generally, and deny the advantages of these areas to any segment of the population.

That is inherent in the bill, because we are talking in terms of trying to develop additional Federal controls, because our southern friends are trying to tell us, "You cannot let people make any decisions." They are reversing themselves in this field, in this philosophy, from their usual stand, and are trying to force people to succumb to direction from Washington. They cannot do it and long remain immune from the other consequences.

It seems to me that when we open up the pasture and let the stalking horse of Federal control loose, we are not going to be able to put the bit in its mouth and tell it where it is to go, or whom the horse can kick and how hard.

The question is, "Do you trust the farmers, or don't you? Do you honestly believe that because you have been elected to the Senate you are so wise that you can tell the farmers that they cannot even have the right to vote as to which of the proposals they prefer?" If we go that far here we certainly are trying to arrogate to ourselves a wisdom and an omnipotence and an authority which we should be most reluctant to exercise.

If I know the farmers of America—and I think I know them well—they are not going to welcome the fellow who

comes to them after the recess and addresses them and tries to explain to them why he did not trust their judgment and why he thinks he is so much wiser than he will not even give them a choice between two fairly attractive programs. I do not know how the farmers of South Dakota would vote on the certificate plan. They might vote for it, or they might vote against it. Speaking as one Member of the Senate, I have a great deal more confidence in the judgment of the wheat farmers of my State to solve this problem than I do in ability of the cotton farmers of the South, when they try to tell us what to do about wheat legislation. Normally those of us who represent the farming areas of the North have relied upon the judgment of the cotton people of the South to work out programs which are advantageous to the cotton industry. What they now propose is a poor kind of reciprocity, it seems to me. There will come a time when all the areas of the country are heard from, not only those that represent the cotton industry.

We are told, "Unless you take this program, something will happen to the cotton program sometime later." We spent all last week debating what should be done about cotton. We tried to say, "While you are saving the cotton farmer by tariff action, why do we not also do something for the poultry producer and the beef producer?"

The reply was, "No, we have got to take care of this cotton problem now. We will take care of you later."

So here we are again this week. Here we have the same representatives from the cotton States who tasted blood and success, saying, "We have this scheme for the wheat farmer, which is so bad that we know it would be rejected if the farmers had a chance to vote on it as an alternative to existing programs. However, we have the votes in the Senate to force it on the wheat farmers."

Perhaps they have the votes, Mr. President, but they are flirting with a dangerous philosophy. It is the kind of game that can be played on both sides of the line. I do not believe it is proper legislation, when we have a chance to act on behalf of the producers of the country, whose livelihood depends upon a good wheat program, not to offer them a choice between two workable alternative programs. I think we act in poor grace when we, as Senators, say, "We are going to deny you the right of franchise; we are going to deny you the right to vote as between two attractive programs concerning wheat. We are going to hold a pistol to your head. We are going to submit a new program and then we are going to put a pistol at your head and tell you how to vote. Either you vote on the administration's proposal or you lose all price supports."

I hope the Ellender amendment will be rejected.

Mr. ELLENDER. Mr. President, I yield myself the remainder of the time.

I have listened with much interest to the distinguished Senator from South Dakota. What he is now suggesting is not a choice between two new programs. The question is whether some old pro-

gram which has caused so much trouble will be retained.

The bill contains a program for a two-price system, one which has been worked over for the past 20 years. The Senate should know about it and how it works. After the Committee on Agriculture and Forestry voted for the two-price system, it was then that the Senator from South Dakota said, "let us give the farmers an alternate plan." What is that alternate plan? It is to let the present emergency program continue for 2 more years, and at the end of 2 years, after hundreds of millions of dollars have been spent, to revert to the old program, a program which has, I repeat, given us so much trouble and has been so costly. That is what the Mundt proposal means.

If my amendment is adopted, the farmers will have the right to vote either for or against a new program, a program which, I believe, will inure in the long run to their benefit, because if the program which is now on the statute books continues, I have no doubt that the whole farm program will be endangered.

I have placed in writing a few of the losses which were sustained in recent years by the Government through the wheat program. Let us not forget that for the past several years we have tried in vain to change the program. Congress passed a bill in 1959 which was vetoed by President Eisenhower. That bill would have reduced the 55-million-acre minimum as it would be reduced in the bill before the Senate. Do not forget that the minimum acreage fixed in the law is 55 million, and the Secretary of Agriculture cannot deal with the wheat problem when the wheat acreage needed is less than 55 million acres. What we are seeking to do is to reduce that acreage so that production will be more in keeping with the requirements.

The distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out the huge amount of wheat which has been made available under the Public Law 480 program.

Title I agreements as of December 31, 1961, have been signed for the sale of 2,322,770,000 bushels of wheat with an export market value of \$3.8 billion; but the cost to the Commodity Credit Corporation was \$6.3 billion. The rest was loss. That occurred under the program which we have been trying to get rid of for the past 4 or 5 years.

In addition, the Government has donated hundreds of millions of dollars, worth of wheat and flour to the peoples in underdeveloped countries under titles II and III of the same act.

While the export market values of the wheat sold for foreign currencies amounted to \$3.8 billion, the Government had invested in the same wheat \$6.3 billion. In other words, the Government actually lost \$2.5 billion on these sales.

Mr. President, the permanent wheat program that we now have on the books has been a very costly one. In my estimation, it must be changed to a more realistic program such as the wheat certificate plan now included in the pending bill.

Carrying charges alone for wheat in the last fiscal year amounted to \$399.4 million. These carrying charges include storage, handling, and interest on investment. Yesterday I placed in the record a table showing these costs in detail.

As that record shows, of the \$1,154 million which was paid last year for the storage, handling, and all other costs of wheat and other feed grains, 78 percent of that huge amount is chargeable to wheat, corn, and other feed grains.

The wheat program in effect for this year is only an emergency expedient which is costly and does not get to the root of the problem. The Department estimates that payments under this emergency program will amount to about \$345 million. These payments will be in addition to the normal carrying charges that are incurred by the Government in storing the huge quantities now owned by them. Both the payments to farmers and the carrying charges are in addition to the export subsidies of about 60 cents per bushel that is paid on every bushel of wheat moving into export, whether it be for dollars or for sales for foreign currencies.

Mr. President, in my opinion, it is imperative that we take steps at this time to correct the inequities that exist in the permanent wheat law.

Under the price support program, losses on wheat from the beginning of the program through December 31, 1961, amounts to \$1,798,261,275. The export subsidies paid amounts to \$557,837,104. In addition, the export subsidy payment under the International Wheat Agreement amounts to \$1,215,021,000. Section 32 funds, which were used for export payments during the interim periods when the International Wheat Agreement was unsigned, amounts to \$24,232,000 for a total Commodity Credit Corporation cost of \$3,595,351,379, excluding Public Law 480 costs.

No one can doubt that this is a costly program. This program needs to be changed in all good conscience. The Senate should act now to correct the situation by adopting my amendment and substituting for the present costly program a more equitable program which we call the Wheat Certificate Plan. Under this program, production will be brought in line with requirements, the cost to the Government will be minimized, because we will not have to acquire and store huge quantities of wheat which are neither needed nor necessary, and farm income of producers will in the long run be improved immeasurably under a realistic program.

For the first 3 years while Commodity Credit Corporation is getting rid of its stocks, farmers will receive payments of up to 50 percent of the normal production on diverted acres. At the end of this period, it is anticipated that stocks will have been reduced to reasonable levels and that acreage allotments could then be increased.

This program will be good for the farmers and be good for the Government and be good for consumers. It is imperative that we act now by adopting my amendment.

Mr. President, I ask unanimous consent that this table be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COST OF WHEAT PROGRAM		Dollars
Price support losses October 17, 1933, through December 31, 1961-----		1,798,261,275
Other costs, including export subsidy-----		557,837,104
International Wheat Agreement export subsidies----		1,215,021,000
Section 32 funds used-----		24,232,000
Total CCC costs-----		3,595,351,379

Mr. ELLENDER. Mr. President, all I am trying to do is to bring to an end the huge losses which are being suffered by the taxpayers. I maintain that the two-price system of the wheat program will do no harm to the farmers, because in the next 3 years they will be paid for diverted acres. They will have their fair share of the billion bushels that will be required. In fact, in the law, as Senators know, the minimum is 1 billion bushels, and farmers will have their fair share of that production.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Is it not true that the price support on what the farmer produces under the certificate plan will be approximately \$2 a bushel?

Mr. ELLENDER. That is what the Secretary of Agriculture says. It is in the record.

Mr. HUMPHREY. Is it not true that the program will reduce the supply by about 200 million bushels a year?

Mr. ELLENDER. Approximately so. It is believed that in 3 or 4 years there will be almost the normal carryover. That is the purpose, I am sure.

Mr. HUMPHREY. And the diverted acres will be paid for under diversion?

Mr. ELLENDER. Yes; exactly.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKEY (when his name was called). On this vote I have a pair with the Senator from Colorado [Mr. CARROLL]. If the Senator from Colorado were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. GRUENING], the Senator from Oklahoma [Mr. KERR], and the Senator from Wyoming [Mr. McGEE] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] would vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Wyoming [Mr. McGEE] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Wisconsin would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from California would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 53, nays 36, as follows:

[No. 57 Leg.]

YEAS—53

Anderson	Hartke	Morton
Bartlett	Hayden	Moss
Bible	Hill	Muskie
Burdick	Humphrey	Neuberger
Byrd, Va.	Jackson	Pastore
Byrd, W. Va.	Jordan	Pell
Cannon	Kefauver	Randolph
Chavez	Long, Mo.	Robertson
Church	Long, Hawaii	Russell
Clark	Long, La.	Smathers
Cooper	Magnuson	Smith, Mass.
Douglas	Mansfield	Sparkman
Ellender	McCarthy	Symington
Engle	McCiellan	Talmadge
Ervin	McNamara	Williams, N.J.
Fulbright	Metcalf	Yarborough
Gore	Monroney	Young, Ohio
Hart	Morse	

NAYS—36

Aiken	Dirksen	Mundt
Allott	Dworshak	Murphy
Beall	Eastland	Pearson
Bennett	Fong	Proity
Boggs	Goldwater	Proxmire
Bush	Hickenlooper	Saltonstall
Capehart	Holland	Scott
Carlson	Hruska	Smith, Maine
Case, N.J.	Javits	Stennis
Case, S. Dak.	Keating	Thurmond
Cotton	Lausche	Williams, Del.
Curtis	Miller	Young, N. Dak.

NOT VOTING—11

Butler	Hickey	McGee
Carroll	Johnston	Tower
Dodd	Kerr	Wiley
Gruening	Kuchel	

So the amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send to the desk amendments identified as "5-21-62—A," and I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER (Mr. PELL in the chair). Without objection, the amendments will be printed in the RECORD.

The amendments offered by Mr. ELLENDER are as follows:

Beginning with line 6 on page 11, strike out all through line 15 on page 18, and substitute the following:

"SUBTITLE A—FEED GRAINS

"SEC. 301. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"Part VII—Marketing quotas—Feed grains

"Legislative Findings

"SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely

and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in his Act.

"The diversion of substantial acreage from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"National marketing quota

"SEC. 360(b). (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (1) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains determined by the Secretary to be a desirable reduction in such

marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for feed grains for any marketing year shall be not less than one hundred and ten million tons.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"National Acreage Allotment

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production (1) on increased acreage resulting from exemptions pursuant to sections 360f and 360k, and (2) of silage on acreage excluded from the acreage of feed grains pursuant to section 301(a)(11), make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"Apportionment of National Acreage Allotment

"SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b)(2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b)(1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c)(2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of reclamation and other new

areas coming into the production of feed grains.

"(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b) (1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardships, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crop of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under Federal farm programs, acreage diverted from the production of feed grains under this part, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm, except that in the case of a farm which is exempt from the farm marketing quota under the small-farm exemption in section 360f, or under the exemption in section 360k, the acreage on the farm in excess of the farm acreage allotment but not in excess of the farm base acreage, shall not be excluded.

"(4) the acreage of wheat produced on the farm in excess of the farm acreage allotment pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm, and shall not be considered as an acreage of wheat in de-

termining the small-farm base acreage for wheat pursuant to section 335.

"Geographical Applicability

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"Small Farm Exemption

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm acreage allotment of less than twenty-five acres if the acreage of such crop of feed grains does not exceed the smaller of (A) the farm base acreage determined for the farm, or (B) twenty-five acres unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. If the operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the smaller of (A) the farm base acreage, or (B) twenty-five acres, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"Referendum

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm acreage allotment of less than twenty-five acres shall not be eligible to vote unless the farm operator elected, pursuant to section 360f, to be subject to the farm acreage allotment and marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"Compliance

"SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop; *Provided*, That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further*, That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which

has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) "actual production" of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) "normal production" of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield per acres of such feed grain on the farm during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the normal yields for similar or adjacent farms, and the yield in years for which data are available.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 360i shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess, and (iv) any acreage of barley disposed of by grazing not later than thirty days prior to the date the harvest of barley normally begins in the county or the area within the county as determined by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on the farm marketing ex-

cess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"Substitution of wheat and feed grains

"SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, and producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat, to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"Land Use

"SEC. 360j. (a) (1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c) (2) (C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1 of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable to producers with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided*, That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) for other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (1) any farm acreage allotment in effect for any commodity produced on the farm, and (2) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no

producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c) (2) (C) shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in feed grains.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(f) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(g) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(h) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems is desirable in order to provide fair and equitable treatment.

"Deficit Areas

"SEC. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

"Authority To Exempt Malting Barley

"SEC. 360l. Notwithstanding any other provision of this part, if with respect to any crop of barley the Secretary finds that there is not likely to be production of a suffi-

cient quantity of malting barley to satisfy the demand therefor, subject to such terms and conditions as the Secretary shall prescribe, the farm marketing quota or farm acreage allotment for any crop of feed grains shall not be applicable to malting barley on any farm, if (i) the operator elects in writing on a form and within the time prescribed by the Secretary to have malting barley exempt therefrom, (ii) such operator has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest during the crop year, and does not knowingly devote during such crop year an acreage on the farm to barley in excess of 110 per centum of the acreage devoted on the farm to barley in 1959 and 1960, or such later two-year period determined by the Secretary to be representative, and (iii) the farm base acreage and the farm acreage allotment for such crop of feed grains are adjusted downward by such amount as the Secretary determines appropriate to reflect the exclusion of such barley from the farm acreage allotment.

"SEC. 302. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out 'and' immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediately following such new semicolon the following: 'and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers.'

"SEC. 303. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

"(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term "feed grains" means corn, grain sorghums, and barley.

"(11) The term "acreage of feed grains" means acreage of feed grains planted for harvest (including self-seeded feed grains), but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360d(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361-367 shall apply to the determination of the acreage of silage exempt under this subsection.

"(12) The term "crop" as applied to "feed grains" means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year.

"(2) Subsection (b) (6) (A) is amended to read as follows:

"(6) (A) "Market", in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of."

"(3) Subsection (b) (7) is amended to read as follows:

"(7) "Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1-June 30;

"Corn, October 1-September 30;

"Cotton, August 1-July 31;

"Grain sorghums, July 1-June 30;

"Peanuts, August 1-July 31;

"Rice, August 1-July 31;

"Tobacco (flue-cured), July 1-June 30;

"Tobacco (other than flue-cured), October 1-September 30;

"Wheat, July 1-June 30.

" "Marketing year" means, in the case of "feed grains", the marketing years for the agricultural commodities comprising the feed grains."

"SEC. 304. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

"(1) Section 361 is amended by adding 'feed grains,' after 'wheat,' and by changing the period at the end of the section to a comma and adding the following: 'and to the review of land-use penalties assessed pursuant to sections 339 and 360j.'

"(2) Section 362 is amended by adding at the end thereof the following: 'Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer.'

"(3) Section 363 is amended by adding 'or land-use penalty' after the word 'quota' wherever it appears in such section.

"SEC. 305. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding 'feed grains,' after 'wheat,' in subsection (a) thereof.

"SEC. 306. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting 'corn' wherever it appears and by substituting in lieu thereof 'feed grains'; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: 'or to effectuate the provisions thereof.'

"SEC. 307. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after 'Soil Conservation Act payment,' the following: 'payment under section 360j.'

"SEC. 308. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 301 through 307 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

"SEC. 309. The Agricultural Act of 1949, as amended, is amended as follows:

"(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) if marketing quotas for any crop of corn, grain sorghums, and barley are not disapproved by producers, price support for corn of such crop shall be made available at such level, not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products.

"(2) if marketing quotas for any crop of corn, grain sorghums, and barley are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appro-

priate after consideration of the factors specified in section 401(b).

"(3) price support for each crop of barley and grain sorghums, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn and the other factors specified in section 401(b) of this Act.

"(4) price support for corn, grain sorghums, and barley shall be made available only to cooperators.

"(5) if marketing quotas are in effect for the crop of corn, grain sorghums, and barley, a "cooperator" with respect to any such feed grain produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of corn, grain sorghums, and barley, a "cooperator" with respect to any crop of corn, grain sorghums, and barley produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such farm marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k of the Agricultural Adjustment Act of 1938, as amended."

"(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

"(3) By amending section 401 by inserting after the comma before '(2)' the following: '(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations', and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

"(4) By adding at the end of section 407 the following: 'Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges.'

On page 34, beginning with the period in line 13, strike out through the period in line 18, and insert a colon and the following: "And provided further, That no producer shall be deemed to have exceeded a

farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

On page 45, beginning in line 2, with the word "No", strike out through line 6, and insert the following: "No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f or 360k."

Beginning on page 53, in line 24, with the word "No", strike out all through line 3 on page 54, and insert the following:

"No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

Mr. DIRKSEN. Mr. President, will the chairman of the committee yield for a parliamentary inquiry?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. It is my understanding that, under the consent request, the next vote would come on the amendment now pending, offered by the distinguished chairman of the committee, and would come at 4 o'clock. Is that correct?

The PRESIDING OFFICER. The Senator from Illinois is correct, unless an amendment is offered to it prior to that time.

Mr. DIRKSEN. It was my understanding that if a vote came on the feed grains proposal and it was adopted, it would be impossible to further amend the Ellender amendment. Is that correct?

The PRESIDING OFFICER. Deletions could not be made; additions could be made.

Mr. DIRKSEN. A further parliamentary inquiry. The distinguished Senator from Mississippi talked to me the other day about it, and I conferred very briefly with the majority leader at that time, but the amendment of the Senator from Mississippi would be amendatory of the proposal of the distinguished Senator from Louisiana. I am not quite clear whether it would be a deletion or an addition, but I thought I ought to raise the question to make sure that that amendment might be in order, for if it were not, then it would require unanimous consent to make it in order. That would be equally true of an amendment that the distinguished Senator from Wisconsin [Mr. PROXMIRE] has.

The PRESIDING OFFICER. The amendment would be in order.

Mr. DIRKSEN. The Proxmire amendment would be in order?

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin would be in order, as would any other amendment which would amend the substitute.

Mr. DIRKSEN. Mr. President, would the amendment of the distinguished Senator from Mississippi [Mr. EASTLAND], which proposes to authorize, without paying support prices, the use of wheat grown on a particular farm for feeding on that farm, be in order?

Mr. EASTLAND. Feed grain consumed on the farm.

The PRESIDING OFFICER. The amendment, if germane, would be in order; and the Chair considers it germane.

Mr. DIRKSEN. Then, within the limitations of time, the Eastland amendment could be offered, and the Proxmire amendment could be offered?

The PRESIDING OFFICER. The Senator from Illinois is correct.

Mr. DIRKSEN. There is also an amendment to be offered by the distinguished Senator from Kentucky, which would be actually an addition and not a deletion. My query is: Would that be in order as an amendment to the Ellender amendment?

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. There is a parliamentary inquiry pending.

The PRESIDING OFFICER. That amendment would be in order. The Ellender amendment can be amended to one further degree, so that amendment would be in order.

Mr. DIRKSEN. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. ELLENDER] has the floor.

Mr. YOUNG of North Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. YOUNG of North Dakota. I have three amendments to offer to the pending feed grain amendment. Would they be in order? Would the Senate still vote at 4 o'clock?

The PRESIDING OFFICER. It would be in order to offer the amendments when no other amendment is pending.

Mr. YOUNG of North Dakota. Would the Senate still vote at 4 o'clock?

The PRESIDING OFFICER. There is a 2-hour limitation on all debate for all amendments to the Ellender amendment. The 2 hours would expire about 4:15.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. As I read the unanimous-consent agreement, it says:

Two hours, to be equally divided and controlled as above, shall be allotted for debate on the Ellender feed grain amendment or any amendment thereto.

It does not say, "and all amendments thereto."

It seems to me a clear reading of the unanimous-consent agreement provides for 2 hours of debate for any amendment to the feed grains amendment.

Mr. MANSFIELD. Mr. President—

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. I think the Senator from South Dakota has put his own interpretation on this particular agreement. Certainly that was not the intent of the distinguished minority leader [Mr. DIRKSEN], of the Senator from South Dakota [Mr. MUNDT], of the Senator

from Vermont [Mr. AIKEN], of the Senator from Louisiana [Mr. ELLENDER], or other Senators, when that proposal was made. If that were the consensus, it would have been useless, in my opinion, to offer the unanimous-consent agreement.

I invite the attention of the Presiding Officer to what I consider to be the intent at the time the agreement was entered. There are Senators present in the Chamber who were consulted, who can prove or disprove what I have stated.

Mr. CASE of South Dakota. Mr. President, if the Presiding Office will indulge the Senator from South Dakota, according to my recollection, when the Senate makes an overall time agreement the customary language used is "2 hours on such amendment and all amendments thereto."

When the language is used with the conjunction "or" and it is said, "2 hours on the Ellender feed grain amendment or any amendment thereto," the "or" gives 2 hours for any amendment thereto.

The PRESIDING OFFICER. The written agreement differs from the memory of the Chair of the verbal agreement.

Mr. CASE of South Dakota. Mr. President, I am reading from the unanimous-consent agreement as printed on the front page of the Calendar of Business for Thursday, May 24, 1962.

The PRESIDING OFFICER. The word "and" was in the original agreement which was agreed to.

Mr. CASE of South Dakota. The word "and" was used? Does the RECORD show that?

The PRESIDING OFFICER. That is what the Chair rules actually happened.

Mr. CASE of South Dakota. A parliamentary inquiry, Mr. President. How can the Presiding Officer make a ruling which runs contrary to the printed text of the unanimous-consent agreement?

Mr. HUMPHREY. Mr. President—

Mr. ALLOTT. Mr. President—
The PRESIDING OFFICER. The Chair is informed that there was an error in the printing of the agreement and that the word "and" should have been written into the agreement.

Mr. CASE of South Dakota. Then, Mr. President, I at least comment that the observation of the Senator from South Dakota was not capricious or anything like that, but was taken directly from the language of the agreement as printed on the front page of the calendar for today. I do not know, but I assume that would be the same as the agreement on the blue cards which went around.

The PRESIDING OFFICER. The Chair understands that and regrets the error.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. ALLOTT. I have no particular desires with respect to the outcome of this matter, but I should like to know upon what basis the Presiding Officer

can rule that the printed unanimous-consent agreement on the calendar, which is the official unanimous-consent agreement, does not mean what it says, but means what somebody else says?

If we are to start utilizing this kind of a procedure in the Senate, we had better take a look at our "hole cards," because it might lead to a bad situation. Everyone knows that in any legislative body one cannot alter the legislative record except by a motion or by consent. Neither one of these has been attempted.

No matter what was said at the time, or what was supposed to have been said at the time, what the RECORD shows is that the word "or" is used, in the disjunctive. Therefore, there can be no question that, until the Senate changes it, the agreement is what should govern the procedure of the Senate.

Gentlemen and ladies, we are making a very serious mistake. As I have said, I have no interest in which way we do this, but we are making a very serious mistake to set a precedent in the Senate of deciding that what the RECORD says is not what somebody said or meant 2 or 3 days ago.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. CASE of South Dakota. Mr. President, a further parliamentary inquiry.

Mr. ELLENDER. Mr. President, I yield to the Senator from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. President, off this serious subject, I wish to say that the Air Force has reported a life raft sighted, with Lieutenant Commander Carpenter, the astronaut, in it. [Applause.]

Mr. CASE of South Dakota. Mr. President, may I invite the attention of the Presiding Officer to the printing of the unanimous-consent agreement in the RECORD for May 22?

The PRESIDING OFFICER. The Senator is correct in the point he makes, but the Chair is informed by the Parliamentarian that the word "and" was used at the time, and there is an error.

Mr. CASE of South Dakota. Mr. President, the RECORD does not show that. The RECORD, at page 8295, shows that the distinguished majority leader read the proposed unanimous-consent agreement, and later shows the agreement printed on the same page. In both instances the word "or" is used.

I further invite the attention of the Presiding Officer to the fact that in the center column the majority leader [Mr. MANSFIELD] said:

Mr. President, I have a unanimous-consent request to offer, which I think has been cleared by all Senators interested. I will read it at this time, because it may be difficult for the clerk to put it together.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. There follows the proposed agreement. The word "or" is used.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I will yield in just a moment.

Subsequently, when the Presiding Officer put the request to the Senate, he said:

Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and without objection the order is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

In both texts the word "or" is used.

I do not know how Members of the Senate could be put on notice as to what was in someone's mind in any other way than by what is shown in the RECORD, what is shown on the blue cards which were sent around, and what is shown on the front page of the calendar for today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I do not believe that the RECORD can be changed except by unanimous consent.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. I have endeavored to give to the Senate the intent behind the unanimous-consent request, which was offered with the concurrence of all Senators concerned who could be reached day before yesterday. The reason I read the unanimous-consent agreement myself was because it was in disjointed shape, and I felt that I had to present it in the manner I adopted in order to make it as plain as possible. The Senator from South Dakota is correct in what he has said as to the language in the RECORD, in the cards distributed, and on the outside page of the calendar. But I hope that in view of the situation, the Senator from South Dakota and other Senators will agree to a unanimous-consent request that the word "and" be incorporated in the unanimous-consent request now under consideration.

Mr. CASE of South Dakota. Mr. President, the Senator from South Dakota has no amendment ready at this time to offer, but he had considered the possibility of offering one, depending upon the fate of some of the amendments that have been printed and proposed. He had relied upon the language on the blue card, which would indicate that if we had an amendment to offer, he would be allowed 2 hours of debate on it.

Mr. MANSFIELD. Mr. President, I wish to submit a unanimous-consent request, but before I do so, I assure the distinguished Senator from South Dakota that under the unanimous-consent agreement, 2 hours are allowed on other amendments, 1 hour to a side. So I think perhaps the Senator from South Dakota could offer his amendment. I am not certain about that if the amendment should involve a feed grains proposal it would be proper. But if it is on something else, I think there would be no question. If it were on a feed grain proposal, I assume that it would be in the same category as other amendments of that type.

Mr. CASE of South Dakota. Mr. President, the distinguished majority leader has been courteous to me on many

occasions, and I am reluctant to object to any request he may make. But I think we ought to let the debate continue for a little while, to see how it develops. I feel that if I were offering an amendment, I would be entitled to 2 hours on it. If the issues are sufficiently presented by the other amendments that will be offered, and they can be taken care of in 2 hours of time, perhaps the whole discussion is without any practical effect. But I hope the Senator will not press his unanimous-consent request at this time, before we see the fate of some of the other amendments.

Mr. MANSFIELD. Of course, I would not.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. HUMPHREY. My only observation on the question is that I helped to draft the unanimous consent agreement. I discussed the subject with several other Senators. I regret that the RECORD does not show the discussion. I believe the Senator from Iowa [Mr. HICKENLOOPER] was present. We were concerned about the fact that earlier in the day, when we had discussed the unanimous-consent agreement, the Senator from Iowa [Mr. HICKENLOOPER] was not present. We wanted to make sure that his interests were safeguarded on the subject of feed grains. The discussion proceeded as follows: We would vote at 2 o'clock on the wheat amendment. We would vote 2 hours after we had completed the yeas-and-nays vote on any other matters relating to the wheat amendment. So there was a considerable amount of argument on the floor of the Senate—where the discussion is in the RECORD, I do not know—to the effect that we would not necessarily vote at 4 o'clock.

The Senator from New York [Mr. JAVITS] was present when we discussed the situation. We agreed that the Senate would vote 2 hours after we had completed the tally and the announcement of the vote on the wheat amendment, which, it was indicated at that time, might occupy the time until about 4:30 p.m.

The reason for the discussion was that certain Senators had other obligations and duties. It was then agreed that we would vote on the so-called feed grains amendment and any and all amendments thereto 2 hours after the yeas-and-nays vote had been taken and tallied on the wheat amendment. A specific time could not be set. It was said that it might be about 4:15. Someone else said no, it would be about 4:30. The RECORD is obviously not complete. Anyone who was present knows what took place. The whole question was discussed in some detail, privately off the floor, publicly on the floor, and personally with several Senators.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. Under the traditions of the Senate, particularly on questions of reconsideration, it is customary to recognize that a Senator might not be present, and if within the

proper time he enters a motion for reconsideration, if reconsideration has not been denied, his right is protected for 24 hours. Obviously the leadership could not discuss with every Member of the Senate the question whether or not he had an amendment on the point. I believe any Senator would be entitled to look at the RECORD, look at the calendar, look at the blue card, and feel that he had adequate protection on the face of the RECORD.

Mr. HUMPHREY. Mr. President, I think the Senator's interpretation of what the printed record shows is accurate. I say to him only that I was present and was involved in the discussion. The Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. HICKENLOOPER], and other Senators were present. We discussed fully the desire to dispose of the two Ellender amendments before 4:30. At least we were hopeful of doing so. At first it was thought that perhaps the Senate should convene at 11 o'clock. Then it was suggested that the hour of meeting be 10 o'clock.

All that took place in a general discussion among Senators.

The Senator from New York [Mr. JAVITS] then said that he preferred to have a vote on the wheat amendment at sometime between 2 and 3 o'clock. It was then agreed that 2 o'clock would be a good time.

Subsequently it was said that 2 hours later we could vote on the so-called feed-grain amendment. The question was then raised by one of our colleagues, "Two hours later than what? Two hours later than 2 o'clock or 2 hours after the yea-and-nay vote and the tally were completed?"

The point I wish to make, to avoid misunderstanding, is that it was clearly understood at that particular time that the Senate would vote on the feed grain amendment and all amendments thereto by 2 hours after the yea-and-nay vote.

Mr. CASE of South Dakota. It was probably so understood by those who were present and participated in the discussion.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Assuming that the distinguished Senator from Louisiana now begins discussion on his amendment, when will the vote take place?

The PRESIDING OFFICER. The vote would begin at 4:20 p.m.

Mr. DIRKSEN. Mr. President, I now ask the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] to yield 1 minute to the Senator from Colorado.

Mr. ELLENDER. I yield 1 minute.

ASTRONAUT LT. COMDR. SCOTT CARPENTER

Mr. ALLOTT. Mr. President, we have just received word that Lt. Comdr. Scott Carpenter has been found, apparently in good condition, in a life raft alongside his capsule. We in Colorado, of course, are particularly proud of Scott Carpen-

ter. I am sure the world is proud of him. All Americans are proud of him today.

I wish to pay my own tribute to him and say to Senators that in the long struggle for scientific advancement and achievement there are those who have such a deep sense of loyalty to this cause and to their own Government, our own United States, that they are willing to risk their lives to advance that cause. At this point we do not know what went wrong to make impossible a quick recovery; but we do know that the incident points up the fact that in every such flight each of the men involved puts his life on the line for scientific advancement and for the glory of our country.

I thank the distinguished minority leader and the chairman of the committee for yielding me this time.

FUNDS FOR THE RS-70

Mr. ALLOTT. Mr. President, the 1963 budget provided \$171 million and the House provided \$223.9 million for the RS-70. The President and the Secretary of Defense sequestered during the past year \$514½ million for long-range bombers, which has not been used. The distinguished senior Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, has signified his intention of offering an amendment that would increase the RS-70 program by \$514½ million.

He has also signified his intention of holding to 700,000 the combined strength of the Army National Guard and the Army Reserve. He set this forth specifically in his statement before the Defense Department Subcommittee on Appropriations.

I ask unanimous consent that his statement, with which I concur wholeheartedly, may be made a part of my remarks in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CARL HAYDEN, CHAIRMAN, COMMITTEE ON APPROPRIATIONS, U.S. SENATE, BEFORE THE DEPARTMENT OF DEFENSE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS, U.S. SENATE

During recent weeks I have had an opportunity to review some of the major issues involved in the Department of Defense Appropriation Act for fiscal year 1963. There are a number of complex and vital issues that the subcommittee must consider; but two of these are matters of such great importance that I feel I should take this opportunity to make my position known. I do not believe that either the sum of \$171 million requested in the President's budget, or the \$223.9 million included in the bill as it passed the House of Representatives, is adequate for the development of the RS-70 weapons system; nor do I feel that it would be wise to reduce the strength of the Army National Guard and the Army Reserve as proposed in the budget.

DEVELOPMENT OF THE RS-70 WEAPONS SYSTEM

Mr. Chairman, the last of the B-52's and B-58's will come off the production line late in the fall of this year; and, as you are aware, we will not be producing any manned bombers after this time. This is a mistake, in my opinion. It is also a mistake in the opinion of Gen. Curtis E. LeMay, Chief of

Staff of the U.S. Air Force and the former commander of the Strategic Air Command. You will recall that during the hearings of this subcommittee on the Department of Defense Appropriation Act for the current fiscal year I asked General LeMay the following question: "Would you recommend that the Congress provide additional funds for the procurement of more B-52's and B-58 bombers?" and the general replied, " * * * It is my personal opinion that we should not close down our bomber lines at this time."

Mr. Chairman, we all know what happened. The Congress appropriated an additional \$514,500,000 and provided that these funds "shall be available only for the procurement of long-range bombers." However, on October 27, 1961, the Secretary of Defense advised in a letter to the chairman of this subcommittee that the additional funds provided for the procurement of long-range bombers would not be utilized. The President's budget for fiscal year 1963 requested that these funds be made available to finance the 1963 aircraft procurement program. As I stated, the budget program does not include any funds for the procurement of additional long-range bombers. In acting on the bill now before this subcommittee the House Appropriations Committee recommended, and the House concurred, that the additional \$514,500,000 provided in the 1962 act be rescinded.

Mr. Chairman, the record is clear. The decision to close down the B-52 and B-58 production lines was made by officials of the executive branch of the Government, over the strong objections of the legislative branch.

As General LeMay has stated, it is too late to reconsider this decision on the part of the executive branch to stop the production of manned bombers. We must now consider what we should do in view of this decision.

We are all pleased with the progress we have made in our missile program. The Atlas, the Titan, and the Minuteman are proving themselves to be good weapons systems. But they each have limitations—they cannot think. As good as these systems are, we cannot abandon the manned systems. With the missiles systems you have absolutely no flexibility in the use of your weapons. You can either shoot, or not shoot. This is not true with the manned-bomber systems. General LeMay stressed this importance of flexibility in the manned-bomber systems during our hearings last year when he said:

"With the manned systems, you can maneuver them, you can change their position; you can threaten with them. You can launch them and recall them, and you have all the flexibility in the world necessary to do things that might well prevent the war from ever starting."

It is my view that the new missile systems complement our existing manned-bomber force and that these missile systems should not be considered as replacements for our manned-bomber systems.

As I stated earlier, Mr. Chairman, the question for this subcommittee is, What course do we take in view of the decision of the executive branch of the Government to discontinue the production of the B-52's and B-58's? During the course of the hearings last year, I addressed the following question to General LeMay: "Do you feel that a manned bomber will be required as a follow-on to the B-52 and B-58 even if our missiles continue to develop at a satisfactory rate?" And General LeMay replied, "Yes, sir; I do. We want the missiles. They are coming along; they will take a place in our inventory and give good account of themselves."

"However, it is our feeling, and always has been, that we must have a mixture of manned and unmanned systems if we are properly going to defend the country."

I fail to understand why the new electronic system and the account number system, which were so highly and so recently praised, are now considered to be so ineffectual before they have scarcely been placed in operation.

VII

The memorandum further states: "In addition, there is no ADP system fully in operation as of now—and won't be until 1966."

Considering that the withholding proposal would require payers and payees to put the entire withholding procedure, with its millions of exemption certificates, into operation by January 1, 1963, and that the ADP system has been in development since at least 1960 and is already partially in operation, would it not be possible for the Treasury to expedite the completion of the system well in advance of 1966? Can it not be installed in less than 6 years? If the energy, determination, and ingenuity which has made America great were brought full square into the expedition of this program, I have no doubt it could be brought to fruition long before 1966.

VIII

For the sake of reasonable brevity, I have confined my remarks to only a few of the points made in the memorandum. In his forthright statement before the Senate on May 21, Senator BYRD has dealt in greater detail with the considerations involved, and has concluded that the ADP-account number system should be given a reasonable trial—and given it as promptly as possible—before withholding, with all its complexities and difficulties, should be instituted as a last resort. I subscribe wholeheartedly to his conclusion.

Yours sincerely,

JOHN J. WILLIAMS.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

A few days ago I placed in the RECORD a full explanation of the pending amendment. I ask unanimous consent that that explanation be printed in the RECORD at this point in my remarks, in connection with the statement that I am about to make.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF FEED GRAIN AMENDMENT

This amendment would strike out that portion of the bill which provides for a 1-year extension of the 1963 feed grain program; and would provide for a permanent marketing quota program for corn, sorghum, and barley. The minimum national quota would be 110 million tons. Acreage diverted from the feed grains covered by the program could not be planted to crops in surplus or which might impair the diversion program. For the first 3 years, 1963, 1964, and 1965, payments could be made for such diversion at not to exceed 50 percent of the support

rate for the normal production of the acreage diverted. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved, and not more than 50 percent of parity if quotas were disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at zero to 90 percent of parity.

This amendment is the same as the administration feed grain proposal contained in S. 2786, except for the following:

1. Under the amendment marketing quotas are limited to corn, barley, and sorghum, whereas the original proposal would have also covered oats, and, at the Secretary's discretion, rye.

2. The amendment provides for a minimum national quota of 110 million tons.

3. The provision for a commercial area to be fixed by the Secretary would be omitted but the program would be limited to the continental United States, excluding Alaska.

4. The farm normal yield for penalty purposes would be based on past farm production instead of past production in the local area.

5. Excess barley acreage could be disposed of by grazing up to 30 days before harvest.

6. The provisions of S. 2786 for substitution of wheat acreage for feed grain acreage and feed grain acreage for wheat acreage have been consolidated into a single provision, and the direction to the Secretary to permit such substitution has been given a slightly more mandatory color.

7. Diverted acreage payments would be limited to not more than 50 percent of the estimated support rate for the normal production of the acreage diverted, and producers would have the election to increase their diversion to 25 acres, instead of 20, if their diversion would otherwise be less than 25 acres.

8. The amendment permits price support for corn, sorghum, and barley at up to 50 percent of parity when quotas are disapproved, and in such case producers would have to comply with their feed grain allotments as a condition of price support, but would not be required to cross-comply with allotments for other crops, or on other farms, or with land diversion requirements.

9. A producer would not lose eligibility for price support or land diversion payments by reason of planting up to his wheat or feed grain exemption on another farm.

10. Instead of authorizing the sale for unrestricted use from Commodity Credit Corporation stocks of up to 10 million tons of feed grains and up to 200 million bushels of wheat at market prices if quotas for those commodities are disapproved, the amendment would authorize such sale at 102 percent of the current support price plus reasonable carrying charges.

11. An exempt feed grain producer would not lose history by taking advantage of his exemption.

12. The excess acreage planted to wheat in past years under the existing feed wheat exemption (which would be repealed by the bill) would be counted as feed grain acreage toward a feed grain allotment.

13. If the producer so elected, acreage harvested for silage up to the acreage harvested for silage in the base period would not be counted as feed grain acreage, and the base period silage acreage would not be counted in computing the allotment.

14. In deficit areas the Secretary could permit producers to plant their full base acreage, but they would then lose eligibility for the feed grain diversion program, feed grain price support, and the feed grain quota referendum.

15. An exemption has been provided for Malting barley, modeled after the exemption contained in the 1962 feed grain program, but applied to quotas and allotments.

16. The amendment also makes minor corrections in the small farm exemption and other provisions.

Mr. ELLENDER. Mr. President, as reported from the Committee on Agriculture and Forestry, S. 3225 would extend the 1961 and 1962 emergency feed grain program for another year.

This action, in my humble judgment, only puts off for another year a decision that should be made by Congress today. The emergency feed grain program treats the symptom and not the cause of the program in feed grains. And this type of treatment is very costly.

I wish to remark that when the emergency feed grain program was agreed to last year, it was an emergency program, to give the Committees on Agriculture and Forestry of the House of Representatives and the Senate an opportunity for a complete study of the feed grain program, so that permanent legislation could be enacted.

We have such a bill before us. I may say that the purpose of the bill, in a nutshell, is merely to curtail production of corn, sorghum, and rye in keeping with our requirements. The way that that would be accomplished is by acreage controls as well as marketing quotas. The bill does not differ at all, in the way it operates, from what is in effect with respect to cotton, rice and tobacco—in fact with respect to all basic commodities which are protected. It happens that the corn program is the only one under which farmers have been able to produce without any marketing quotas since the program has been on the statute books.

The emergency program that was placed on the statute books was a mere stopgap. It turned out that the cost of the program was a great deal more than the proponents anticipated. However, I wish to say that in the long run the cost to the Government will not be as great as it would have been had the 1958 permanent law on feed grain been pursued.

I am proposing an amendment as a substitute for subtitle A—1963 feed grain program, of title III of S. 3225. The amendment I am proposing is essentially the feed grain program originally proposed by the administration, which was in the bill almost verbatim when I presented it to the Senate in the early days of February. However, a few changes, most of which were suggestions of members of the committee, have been included in the amendment.

The administration proposed a mandatory marketing quota and acreage allotment program for corn and other feed grains, similar in nature to the programs now in effect for cotton, rice, tobacco, and peanuts.

Mr. President, there is no denying the fact that the program in effect for these four commodities have worked well and that they are heavily favored by the producers of these commodities. In the last referendum held, 96.9 percent of the cotton farmers voting were in favor of the program; 94.2 percent of the rice farmers voting were in favor of the program; 98.2 percent of the tobacco farmers voting were in favor of the program;

and 94.9 percent of the peanut farmers voting were in favor of the program.

These four programs which I have mentioned are working fairly well. The reason for it is that the farmers who produce the commodities included in them have been willing to vote on the proposal as to how much is to be produced.

Under the law the Secretary has the right under certain formulas written into the law to determine the number of acres necessary in order to produce the amount of these commodities that we actually need for domestic consumption, for export sales, and for a reasonable carry-over.

What my amendment seeks to do is to apply the same method to corn, sorghum, and barley.

The reason these programs work well can be attributed to the fact that they are realistic in their approach to the management of supplies, and when weaknesses develop, the laws are changed. Generally speaking, when supplies become excessive, acreage allotments are reduced. When supplies are short, acreage allotments are increased. The Secretary has been given authority, for example, with regard to cotton and rice to set price supports at between 65 and 90 percent of parity and to set acreage allotments at a level designed to prevent undue accumulation in Government hands of stocks that are neither necessary nor needed.

Just a few years ago the carryover of rice was in excess of 34 million hundredweight. This is more than a year's needs for domestic use. However, through realistic administrative management and the cooperation of rice growers, these stocks have been worked off and the anticipated carryover this August 1 at 6.5 million hundredweight is now considered inadequate. As a result, the rice acreage allotment this year was increased by 10 percent.

The same degree of good management has been applied to cotton. Last year the national allotment was increased by over 2 million acres in excess of the minimum because of anticipated supplies and demand. This year the national allotment is 1.8 million acres in excess of the minimum. Next year, under the supply management program in effect for cotton, the allotment can be either increased or decreased depending upon carryover and estimated requirements.

The law applicable to these commodities have the flexibility so necessary to the successful operation of a program, and the Department is managing the program in a manner designed to benefit not only the cotton producers but the industry, as well.

The realistic supply management programs in effect for cotton, rice, tobacco, and peanuts are beneficial to producers in a number of ways. Prices have been stabilized and assured. Under these programs, producers have been able to plan their operations more thoroughly. They have been able to apply technology. They have been able to become more efficient.

The industry itself is also benefited to the extent that they can better plan

based upon stable prices and known supplies. Organizations which provide services and supplies for farmers are also benefited through the knowledge regarding price, acreage, income, and stocks.

Consumers are benefited through abundant and stable supplies at fair and reasonable prices.

Had a realistic supply program been applied to the feed grains along the same lines of the programs that had been applied to the commodities previously mentioned, we would not today be faced with the situation wherein huge stocks had accumulated in Government warehouses, and the costs of the program would not have been nearly so high.

However, we have never applied a realistic program to the feed grains. We have tried a number of programs and all of them have been failures or, as in the case of the emergency feed grain program, so expensive that in all good conscience it should be discontinued.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 more minutes.

I would never advocate controls simply for the sake of controls. However, in my judgment, this Government cannot continue to expend huge sums of tax money because a few farmers do not wish to be covered by a program. I honestly feel that if feed grain producers knew all of the facts, they, too, would be aghast at the costs and would insist on a program which would be designed to keep supplies in line with requirements. I want to give them this choice.

As of March 21 of this year, Commodity Credit Corporation had \$30 billion invested in 2.4 billion bushels of feed grains.

Price support losses, and other related costs, experienced by the Commodity Credit Corporation in disposing of feed grains amounted to \$2.2 billion as of December 31, 1961.

Carrying charges, that is, storage, transportation, handling, and interest, on corn and grain sorghum alone had reached a half billion dollars a year by the fiscal year 1961.

The permanent price support law now on the books covering feed grains was enacted in 1958. It provides for price supports for corn at 65 percent of parity or 90 percent of the 3-year average, whichever is higher, with comparable levels for the other feed grains and permits unlimited production.

Prior to 1958 price support laws treated corn differently from the other feed grains. For grain sorghums, oats, barley, and rye price supports were permissive at from zero to 90 percent of parity as determined by the Secretary, and unlimited production was permitted.

Corn, however, has always been considered a basic commodity and as such has received mandatory price support in the same way that other basic commodities subject to marketing quotas under the Agricultural Adjustment Act of 1938, as amended, have been supported, except that marketing quotas have never been made effective for corn. In fact, they have never been imposed.

Acreage allotments were established for corn, except for war years, beginning in 1938; but marketing quotas were never proclaimed. Then in 1954, the law was amended so as to exempt corn from the marketing quota provisions of the law.

From 1954 to 1956 price support was made available in the commercial area only to those who complied with allotments, but no marketing penalties were imposed on those who exceeded allotments. As a matter of fact, in 1954 about 40.2 percent complied with allotments; in 1955, 51.4 percent; and in 1956, 43.9 percent complied. Of course, the fact that a large proportion of the crop was entitled to price support and could move into Government storage provided a so-called umbrella effect on market prices to protect those who did not comply.

Under the program of acreage allotments, with price supports available only to compliers, but without marketing quotas, Commodity Credit Corporation holdings of corn increased from 857.6 million bushels to 1 billion 109.2 million bushels in September of 1956.

In 1956 the Department of Agriculture, under Mr. Benson, further aggravated the situation in corn by providing price supports not only to those who complied with allotments but to non-compliers as well. This opened the flood gates, and production jumped from 2.9 billion in 1955 to 3.4 billion bushels in 1958. Commodity Credit Corporation holdings also increased from 1.1 billion to 1.4 billion bushels.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 more minutes.

This tremendous increase in production came about in spite of the fact that the so-called soil bank acreage reserve program was in effect. In 1956, 5.3 million acres of corn in the commercial area were placed in the acreage reserve program at a cost of \$179.7 million. In 1957, 5.2 million acres were placed in the soil bank at a total cost of \$196.4 million, and in 1958, 6.7 million acres were placed in the soil bank at a total cost of \$282.3 million.

As I indicated earlier, in 1958 the price support laws for corn and the other feed grains were changed. Support prices for corn and the other feed grains were made mandatory at 65 percent of parity or 90 percent of the latest 3-year average farm price, whichever was higher, and all restrictions on production were removed. Corn production soared to 3.9 billion bushels in 1960. In other words, the Government handed the feed grain growers a blank check to grow all they wanted, with the assurance that any excess production would be taken over by the Government and stored. This program was in effect for the crop years 1959-1960. During these 2 years, Government investment in feed grains, that is, corn, oats, sorghums, barley, and rye increased from \$3,306 million to \$4,202 million, an increase of \$896 million. From these two crops of corn alone, Commodity Credit Corporation acquired over 700 million bushels at a cost of \$770 million.

Last year, at the request of the administration, an emergency program for corn and sorghums was put into effect for 1961, and subsequently a similar program for corn, sorghums, and barley was enacted for the 1962 crop. The program was requested by the administration so as to give them time to develop a realistic long-range program for the feed grains.

This we have developed. It is now up to the Senate to vote it up or down. I hope the Senate will vote for it, because there is dire need of a program to curtail production in keeping with our requirements.

Under the so-called temporary program in effect in 1961 production of corn and grain sorghums decreased by 421 million bushels below 1960 levels. As a result there will be a longrun savings to the Government.

However, the most recent figures provided by the Department of Agriculture indicated that the costs of payments to farmers under the 1961 program amounted to \$782 million and administrative costs were about \$43 million, for a total of \$825 million.

Further, estimates by the Department of Agriculture indicate that based upon the final signup figures for the 1962 program, payments to farmers may run as high as \$896 million if the intended diverted acres materialize and the total cost of the program may well be in excess of \$900 million when administrative expenses are included.

While there is no doubt that a substantial reduction in the production of feed grains will occur again this year and that there will be longrun savings to the Government, the fact is that these temporary programs are extremely costly and cannot in good conscience be long continued.

Mr. President, it is my hope that the Senate will face up to the realities and adopt a permanent program for the feed grains that on the one hand will be less costly than programs previously in effect for these commodities, and on the other hand be of greater benefit to farmers and consumers.

As I indicated earlier, we have tried a voluntary allotment program, a voluntary land diversion program, and an open end program coupled with price supports. All of these have not come to grip with the essential features of a desirable program.

My amendment provides for mandatory controls coupled with price supports. It is designed along the same lines as the programs now in effect for cotton, for rice, for tobacco, and for peanuts. Everyone knows that these programs have worked well, and all who are affected by the programs wish to maintain them.

I fear that unless we make permanent changes in these other costly programs that the good programs now on the books will be affected adversely. I am sure that Senators would not want this to happen. I know that farmers would not want this to happen. Therefore, in my estimation, it is imperative that the Senate act today to correct the inequities

that exist under the unrealistic program in effect for the feed grains.

There are a number of other reasons why a realistic program should be adopted for the feed grains.

First, the cost to the Government will be significantly less than under either the voluntary feed program or the program authorizing unlimited production with price supports. The Department estimates that payments alone would be about \$400 million less; under a realistic program than under the emergency feed program. Further, acquisition costs would be materially less, because of a realistic allotment in light of our requirements.

In addition, a realistic program would get the Government out of the storage business, by setting allotments at levels designed, over a few years, to reduce Government stocks to a minimum. In my estimation, this is a "must," if other programs are to be continued.

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 more minutes.

Mr. ELLENDER. Mr. President, second, a realistic program would be fair to all producers. Under the voluntary programs, about half the producers must take the brunt of acreage reductions, while those who do not participate receive the benefits of increased production and the umbrella protection of price supports. If all producers are to participate, all will share alike in accepting small acreage reductions, in exchange for substantial cuts in production by some producers. In this way Government stocks of grain can be reduced more rapidly and with less cost to the Government.

Third, under a realistic program for feed grains, prices will be stabilized and farm income will be improved.

Fourth, his program will be permanent, and will give the farmers a realistic choice between fair and reasonable support prices with production limited at a level with our requirements, on the one hand, and, on the other hand, the choice of unlimited production, with support prices set at levels that will not result in the accumulation of excess stocks in Government hands.

I may add that this program is not being imposed upon farmers, nor are they being forced to accept it. Farmers will vote for the program they desire. If two-thirds of the farmers vote in favor of a realistic supply program then and only then will it go into effect. Feed grain producers cannot "have it both ways." They cannot expect the Government to guarantee prices by accumulating stocks that are unneeded.

In my humble judgment, the Congress must face up to the fact that this Government cannot continue to purchase excess stocks of feed grains or other commodities because of unrealistic programs.

Here producers are given a clear choice between a realistic supply man-

agement program or unlimited production.

It is my hope that the Senate will give farmers the opportunity to make this choice.

Mr. YOUNG of North Dakota. Mr. President—

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment identified as "5-23-62—L," and ask that it be stated; and I ask unanimous consent that the names of the two Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY] be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be stated.

The amendment submitted by Mr. YOUNG of North Dakota, on behalf of himself, Mr. HUMPHREY, and Mr. MCCARTHY, was read, as follows:

On page 23, between lines 18 and 19, insert the following:

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at the rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Renumber the remaining subsections accordingly.

Mr. YOUNG of North Dakota. Mr. President, let me direct the attention of the chairman of the Committee on Agriculture and Forestry to the fact that this amendment would authorize the Secretary to permit acreage diverted from feed grains in 1963, 1964, and 1965 to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. The amendment is identical to the amendment to the 1962 wheat acreage diversion program as enacted by Public Law 87-451, which I sponsored in the Senate. As in the wheat program, feed grain producers devoting their diverted acreage to such crops would not be eligible for price supports on those crops, and could not be paid more than one-half of the rate for acreage diversion which would otherwise be applicable if such acreage were devoted to conservation uses.

Mr. ELLENDER. Mr. President, if the Senator from North Dakota will

yield, let me say that I understand that by means of this amendment he is attempting to apply to this feed grain program the same requirement which was included in the 1962 program—or almost the same.

Mr. YOUNG of North Dakota. That is correct, with the addition of flax.

Mr. ELLENDER. Yes.

Mr. MANSFIELD. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG of North Dakota. I yield.

Mr. MANSFIELD. I was about to raise the same point which the chairman of the committee has made, because the only addition is flax and the Senator from North Dakota was responsible for getting it approved and included, a few weeks ago. Is not that correct?

Mr. YOUNG of North Dakota. Yes.

Mr. MANSFIELD. So the amendment would result in a continuation of what is now in effect, would it not?

Mr. YOUNG of North Dakota. Yes. That is correct.

Mr. HICKENLOOPER. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG of North Dakota. I yield.

Mr. HICKENLOOPER. Can the owner or operator get credit for the diverted acres and also be paid for raising the crops, under this provision?

Mr. YOUNG of North Dakota. He will be entitled to receive a payment, at the discretion of the Secretary, of up to 50 percent of the diversion payment.

Mr. HICKENLOOPER. What is the justice of permitting payment for the diverted acres and then permitting crops to be raised on them?

Mr. YOUNG of North Dakota. Because these crops are in short supply, and the producers need some encouragement to increase their production.

What the Senator from Iowa has stated would be allowed, but only up to 50 percent of the regular payment. Of course, none of the crops grown on diverted acres are entitled to price supports.

Mr. HICKENLOOPER. But the farmers would be entitled to receive payments for the land they have taken out of production, and they also would be permitted to grow crops on them. If those crops are in short supply, the price should be made sufficiently attractive to result in the desired amount of production, so that it would not be necessary to rely upon production on the land being taken out or diverted.

Mr. YOUNG of North Dakota. But I think this will be a better incentive than increasing price supports, which method we sometimes use to encourage the added production.

Mr. ELLENDER. Mr. President, as I understand, under the amendment the crops would be planted under rules and regulations to be issued by the Secretary of Agriculture, and the Secretary must indicate that these crops are not in surplus supply.

Mr. YOUNG of North Dakota. That is correct.

Mr. ELLENDER. And the Secretary may make no payments at all, if he does

not see fit to make them; or he could make them in varying amounts, ranging from zero to 50 percent of the payments he would make under the law, could he not?

Mr. YOUNG of North Dakota. Yes, and that is true with respect to flax. The Secretary put that into effect about a week ago.

Mr. ELLENDER. And also under your amendment he could put it into effect for the next 3 years, as a understand.

Mr. CASE of South Dakota. Under the order of the Secretary, I think there were a few items on which he would arrive at a payment of somewhat less than 50 percent. No payment would be made on flax or on safflower.

Mr. ELLENDER. That would be according to the Secretary's discretion.

Mr. CASE of South Dakota. It would be under the order of the Secretary, after the signing of the bill.

Mr. HRUSKA. I understand that the amendment includes only the crops which now are included under the present plan, with the exception of flax.

Mr. YOUNG of North Dakota. That is correct.

Mr. HRUSKA. Is that also true as regards the provisions for payment provided for by the amendment—in other words, that they are to be same as those now provided under the existing arrangement?

Mr. YOUNG of North Dakota. That is exactly correct.

Mr. ELLENDER. I understand that it will be the same as the 1962 program, and the Secretary of Agriculture will be able to make payments of up to 50 percent of the normal payments on the diverted acres.

Mr. YOUNG of North Dakota. That is correct.

Mr. ELLENDER. Mr. President, I would have no objection to that amendment; and I agree to accept it.

Mr. HRUSKA. Mr. President, if the Senator from North Dakota will yield, let me say that it seems to me that, on the one hand, we would subsidize a farmer for not raising a crop, and, on the other hand, we would subsidize him for raising the crop. In addition, Congress would be saying that it would step aside and would permit the Secretary of Agriculture to run the entire show in his own discretion and according to his own judgment.

Mr. YOUNG of North Dakota. But these are crops which are in short supply, and for which no price supports would be provided for that portion grown on the diverted acreage. Instead of these diverted acres being idle, my amendment would result in their utilization for increasing the production of these needed crops.

Mr. LAUSCHE. Mr. President, will the Senator from North Dakota yield to me?

Mr. YOUNG of North Dakota. I yield.

Mr. LAUSCHE. From the debate just now had, am I to conclude that even though the agricultural commodity is in short supply or even though there may be a scarcity of it, the Secretary of Agriculture would have the power, accord-

ing to his own discretion, to make the awards as an inducement to grow that crop?

Mr. ELLENDER. No; he could permit the planting of these commodities on diverted acreage—that is all it means—and reduce the payments on the diverted acres if the farmers exercised the right.

Mr. LAUSCHE. Reduce it on other acreage?

Mr. ELLENDER. No; on diverted acreage. Under the law, the Secretary has the right to pay up to 50 percent of the normal yield on diverted acres. This amendment simply provides that if the Secretary sees fit—and the commodities named are not in surplus—they could be planted and the farmers' payments would be reduced.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. ALLOTT. Does not this mean, in substance, that a farmer could divert certain acreage, or that certain acreage could be diverted, and under the provision the farmers would be entitled to not to exceed 50 percent?

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. YOUNG of North Dakota. Will the Senator yield me 10 more minutes?

Mr. MANSFIELD. I yield 10 more minutes to the Senator from North Dakota.

Mr. ALLOTT. Therefore, a farmer would be paid up to 50 percent for the diverted acreage on which he was growing a crop which supposedly was in short supply, and which would demand a good price. I have been opposed to phases of measures that give the Secretary the choice of what he will pay. We do not know what he will pay. Granted that we have done a lot of foolish things in farm legislation, it does not seem to make common sense to me to pay a man for diversion of acres and then permit him to grow a crop on those acres which is in short supply.

Mr. YOUNG of North Dakota. It does not make sense to curtail production of crops that are in short supply. We should encourage the production of such crops.

Mr. ALLOTT. That is perfectly all right, but why should the farmer be paid in addition for producing crops which are in short supply and which should demand a good market price?

Mr. YOUNG of North Dakota. I pointed out earlier that in the case of flax the Secretary did not permit any diversion payment. This proposal would require that no price supports would be available to the farmer for that portion produced on diverted acres.

Mr. ALLOTT. Would the Senator be willing to modify the amendment to the extent that the farmer would receive no payment for diverted acres?

Mr. YOUNG of North Dakota. He is already losing price supports on that portion raised on diverted acres. Surely, the Senator does not think we should go all the way and penalize him for planting crops which are in short supply. I would rather lose the amendment than do that.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. MANSFIELD. Mr. President, what happened to the amendment of the Senator from North Dakota?

Mr. ELLENDER. I accepted the amendment. I have no objection to it.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. HICKENLOOPER. Mr. President, I am not going to object to the amendment of the Senator from North Dakota, but the Senator from Louisiana made the flat statement that if, under that amendment, the farmers planted flax or some other authorized crop on diverted acres, then the payment for the diverted acres should go down. I submit that is not the case; that the Secretary has the discretion to keep up the full payment for retiring the acres and also permit the planting of these crops. It is within his discretion.

Mr. ELLENDER. The Senator is in error. The Secretary under the amendment could only make payments of up to 50 percent. He could pay only 1 percent if he so chooses.

Mr. HICKENLOOPER. I understand, but all I am saying is that the Senator from Louisiana made a flat statement that if these crops were planted on diverted acres, the payments for diverting the acres should go down. I submit that is not the case; that it is within the discretion of the Secretary whether they go down; he can hold the payments up; and I submit he would do it if it were politically expedient.

Mr. ELLENDER. The record will speak for itself.

Mr. YOUNG of North Dakota. Mr. President, may we have a vote on the amendment?

The PRESIDING OFFICER. Is there objection to the modification of the amendment?

Mr. MANSFIELD. Not the modification; the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MANSFIELD. The amendment is agreed to?

The PRESIDING OFFICER. The amendment is agreed to.

Mr. ALLOTT. Mr. President, I want the RECORD to show that I object. I want the amendment to go to a vote. At least I want my objection to this amendment recorded.

Mr. President, what I have stated for the RECORD is sufficient for my purposes. I wanted to make my own position clear on this amendment.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment to the Ellender amendment designated "5-23-62-M."

The PRESIDING OFFICER. The amendment of the Senator from North Dakota to the amendment of the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 20, line 24, to strike out all through line 2, on page 21, and insert the following:

(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing.

Mr. YOUNG of North Dakota. Mr. President, the amendment would prohibit the grazing of acreage diverted from the production of corn, grain sorghum, and barley under the proposed marketing quota program unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing. This provision is identical to that contained in both the acreage reserve and conservation programs, as enacted in 1956.

I know this amendment is more controversial than the previous one. It is one with which the dairy industry and the cattle industry to a considerable extent is concerned. If we permit grazing of these diverted acres, it is bound to result in increased production of these commodities affected, and probably some trouble in the future pricewise.

Would the chairman of the committee be willing to take this amendment?

Mr. ELLENDER. I will take it to conference. It incorporates in the law the same provisions that prevail now on conservation acres. Am I correct?

Mr. YOUNG of North Dakota. That is correct.

Mr. ELLENDER. I am willing to take it to conference.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. HRUSKA. Is it this section in the present law that was broadened to enable harvesting of hay and other products on the land to be used in drought situations?

Mr. YOUNG of North Dakota. I may say that this amendment will put diverted acreage in the same category with the conservation reserve lands. They could be grazed if an emergency were declared by the Governor and Secretary of Agriculture.

Mr. HRUSKA. But it is limited to grazing and not cutting of any crops?

Mr. YOUNG of North Dakota. Grazing is permitted now under the soil bank conservation reserve, but only in time of drought or disaster and then only after approval by the Governor of the affected State and the Secretary of Agriculture. Under this bill as it now stands, diverted acres could be grazed with no limitation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the Senator from Louisiana.

Is there objection? Without objection, the amendment is agreed to.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment designated "5-23-62-K."

The PRESIDING OFFICER. The amendment of the Senator from North Dakota to the amendment of the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed on page 8, line 1, strike out "(1)".

On page 8, beginning in line 2 with the comma, strike out through the comma in line 4.

On page 27, line 9, after "barley", insert a comma and the following: "excluding any such grains harvested for silage".

On page 27, beginning in line 12 with the comma, strike out through line 20.

Mr. YOUNG of North Dakota. Mr. President, this amendment would exempt any feed grain harvested as silage from marketing quotas for feed grains as proposed in the amendment offered by the Senator from Louisiana [Mr. ELLENDER] and designated as "5-21-62-A." This amendment would authorize any producer to plant and harvest whatever acreage he needed for silage. Under the amendment, acreage devoted to the production of silage would not be counted in computing the feed grain base acreage for purposes of acreage allotments, and would not be considered in the establishment of future allotments.

We had an amendment similar to this in the Committee on Agriculture and Forestry which would exempt all corn and feed grains for silage. I understand the amendment now proposed by the Senator from Louisiana would limit the amount of silage only to the acres a farmer had in the past planted to these silage crops. A new farmer getting started would not enjoy this exemption, or if he built a silo last year and needed corn to fill it, he would not be able to plant it. Silage is not in surplus. I believe it would be helpful to the bill if this exemption were provided.

Mr. ELLENDER. Madam President, I yield myself 3 minutes.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Louisiana is recognized for 3 minutes.

Mr. ELLENDER. I am opposed to the amendment because it would, in my opinion, kill the whole provision in regard to feed grains. It is my belief that we have included in the proposal as it stands sufficient language to protect those who in the past have planted corn for silage.

In other words, if a farmer has a history of planting 50 acres of silage each year, or 75 acres, under the amendment as I have presented it he could continue to plant corn for silage in a similar amount.

Madam President, the proposal made by the Senator from North Dakota would open the door wide and would permit anybody to plant corn for silage purposes and then to sell his dry corn and have Uncle Sam support it. It strikes me that we have provided in the bill sufficient language to protect the smaller farmer, which I understand to be the purpose of my good friend from North Dakota.

As I have stated, in the bill there is the 25-acre small farm exemption. If a farmer has been planting 25 acres or less of any grains in the past, he would be exempt from the program. Or, he could choose to go under the program if he desired to cut back the same percentage that others who would come under the program would cut.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Madam President, I yield myself 2 more minutes.

There is also in the bill a provision which would give the Secretary of Agriculture the right to permit the planting of corn and of other feed grains in deficit areas. Since there are such provisions as I have mentioned, I believe those whom the Senator from North Dakota is trying to protect would be amply protected.

There is still another provision whereby a farmer could plant all the oats he desired or all the rye he desired without penalties. I understand those are good feed grains and are grown in abundance in many areas.

Also, there would be no prohibition under my amendment to the planting of wheat, barley or oats for pasture, provided that the grain is grazed by the cattle while on pasture; that is, before maturity.

Madam President, the small farmers, as well as the beginning farmers, would be well protected.

There is another provision which would take care of new farmers. As Senators know, the law provides that a certain percentage of the national quota or acreage shall be set aside to take care of new farmers. There is also a certain percentage set aside on the county level to take care of new farmers.

The complaint which has been lodged by the Senator from North Dakota in relation to the effect the amendment I have offered would have against new farmers and also against those who produce cattle, I believe is not well founded. Those people will be well protected. As I stated yesterday, about 50 percent of the farms which plant grain will be affected. In other words, almost 50 percent of the farmers would come under the 25-acre exemption.

Mr. EASTLAND. Madam President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. EASTLAND. Is it the meaning of the amendment that silage be exempted? Is that the meaning of the amendment?

Mr. ELLENDER. That is my understanding.

Mr. CASE of South Dakota. Madam President, will the Senator yield for some questions?

Mr. ELLENDER. I yield for a question.

Mr. CASE of South Dakota. I did not quite hear the answer to the question asked by the Senator from Mississippi. Would corn grown for silage be counted in the feed grain base?

Mr. ELLENDER. Let us presume that a farmer has planted 100 acres of corn and under his history has used 50 acres

of the 100 acres for silage. That farmer has a history of 50 acres of silage. He could continue to plant the 50 acres of corn for silage without restriction and without cutting back under the program. However, the other 50 acres would be subject to the quota provisions of the bill.

Mr. CASE of South Dakota. If he wished to do so, would it be possible for a farmer who had 100 acres planted to corn, 50 of which was used for silage and 50 of which was harvested for grain, to put the whole 100 acres into silage corn?

Mr. ELLENDER. The farmer would be cut back only on 50 acres.

Mr. CASE of South Dakota. He would be cut back on 50 acres?

Mr. ELLENDER. Only on the 50 acres. In other words, any acreage which has been planted by the farmer in the past and used exclusively for silage would not be affected under the amendment I have offered.

Mr. CASE of South Dakota. I had not found that in the amendment, but I am glad to have the Senator on record as stating it.

There is a further question which relates to the years to be used for the base period. On page 10, of the Ellender amendment, at the bottom, it is stated that the base period shall be the calendar years 1959 and 1960.

Mr. ELLENDER. 1959 and 1960, that is correct.

Mr. CASE of South Dakota. For the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops. Why did not the Senator include the crop year of 1961, and provide for the three most recent calendar years to be the base?

Mr. ELLENDER. The idea is to have the exact amount; 1961 would be added as the program goes along.

Mr. CASE of South Dakota. It would be added, but the trouble is that in areas which have fluctuating crops, 1959, in some portions of the country, was a very unfortunate year; 1960 would hardly give a reasonable average; 1959, 1960, and 1961 would give a more truly average production.

The Senator's amendment would make it possible for a proclamation to cover 3 years and for an election to cover 3 years. It seems to me that the base period should be at least 3 years in order to get a more true average.

I should like to have the Senator consider, in line 20, page 10, adding "and 1961" and in line 24, changing the "two" to "three."

Mr. ELLENDER. Madam President, I am informed that that would penalize quite a few farmers who went into the emergency program which is now on the statute books. They have cut back under the law.

Mr. CASE of South Dakota. They have cut back, but the problem remains.

Mr. ELLENDER. We would have to write into the law something to take care of that situation. In my humble judgment it would complicate matters.

Mr. CASE of South Dakota. In many areas in which a drought occurs, farmers could be denied relief, for one drought year could be placed against a normal

year. It would give a base that would be discriminatory.

The PRESIDING OFFICER. The Senator from Louisiana has 11 minutes remaining.

Mr. DIRKSEN. Madam President, I yield 1 minute to the Senator from Vermont [Mr. AIKEN].

Mr. EASTLAND. Madam President, I ask the Senator to yield so that I may ask the Senator from Vermont a question.

Mr. DIRKSEN. Madam President, I am glad to yield 2 minutes to both Senators.

Mr. EASTLAND. Madam President, may I ask the Senator from Vermont a question?

Mr. AIKEN. I should like to make a brief statement first and then, if there is time, I shall be glad to respond to the question.

The Committee on Agriculture and Forestry voted 11 to 4 to exempt silage, rye, and oats from the provisions of the compulsory feed grain bill. Silage crops receive no price supports and should not be subjected to the same penalties as crops which receive direct Government support.

I yield to the Senator from Mississippi.

Mr. EASTLAND. Is it not true that it has been stated time and time again on the floor of the Senate that grasses and pasture are not affected by the bill?

Mr. AIKEN. The Senator is correct.

Mr. EASTLAND. Is it not true that silage is nothing but a filler, a carrier, and a substitute for grass?

Mr. AIKEN. It is used for the same purpose. If the growing of silage were restricted, farmers would have to go out of business or raise grass that would yield 15 or more tons to an acre.

Mr. EASTLAND. We know that an animal cannot be produced with silage.

It is nothing but a substitute for grass.

Mr. AIKEN. And a farmer cannot produce milk profitably and efficiently on silage alone.

Mr. DIRKSEN. Madam President, I am in difficulty in the matter of time. I ask unanimous consent that I may raise a parliamentary inquiry without the time being charged to either side. I think there has been some confusion. My understanding now is that when the hour of 4:20 p.m. is reached, all discussion on all amendments to the feed grain provision of the bill automatically will come to an end, and though amendments may be offered, they may not be discussed.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. So at 4:20, all debate on all amendments to the Ellender amendment, or that section of the bill, come to an end.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Madam President, will the Senator yield on that point?

Mr. DIRKSEN. Madam President, may I first have a ruling on my unanimous-consent request? I am rationing time with a teaspoon. I wish to be sure about the ruling on the parliamentary inquiry. I wish unanimous consent to raise the inquiry without having the time charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. PROXMIRE. Madam President, reserving the right to object—

Mr. ELLENDER. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. What was the request of the Senator from Illinois?

Mr. DIRKSEN. I am trying to have a parliamentary situation straightened out without having the time charged to me in my attempt to do so. I must recognize Senators who have perfecting amendments, if they are to have any time.

Mr. ELLENDER. That is about a minute and a half.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. CASE of South Dakota. Madam President, what is the request?

The PRESIDING OFFICER. The Senator will restate his request.

Mr. DIRKSEN. I merely asked unanimous consent to raise a parliamentary inquiry without having the time necessary to make the inquiry charged against the time available on the Ellender amendment, so that we might straighten out the confusion with respect to other amendments that must be offered before 4:20 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. The Senator from South Dakota indicated that he would like to hold up final agreement to a unanimous-consent request to reach a vote at 4:20 and limit debate on all amendments to the feed grain amendment of the Senator from Louisiana. The Senator from Wisconsin understands that the situation is still as follows:

If the Senator from South Dakota or any other Senator should object to such a unanimous-consent agreement because of the way the previous unanimous-consent agreement was written, was repeated in the RECORD and also appears on the front of the Calendar, it would still be possible for a Senator to offer an amendment to the amendment of the Senator from Louisiana, and he would have 1 hour on his side, and 1 hour would be available for the other side. Is that statement correct?

Mr. MAGNUSON. Madam President, will the Senator yield?

Mr. DIRKSEN. Madam President, I am glad to yield.

The PRESIDING OFFICER. The Chair has not answered the inquiry of the Senator from Wisconsin. The Chair believes that, as originally stated, all debate on all amendments must be concluded by 4:20.

Mr. CASE of South Dakota. Madam President, I appeal from the decision of the Chair. When I raised the question earlier in the day it was stated by the majority leader, the Senator from Mon-

tana [Mr. MANSFIELD], that the language in the RECORD was clear. I conferred with the distinguished Senator from Georgia [Mr. RUSSELL], who is one of the outstanding parliamentarians in the Senate. He said that on the basis of the printed RECORD, the unanimous-consent agreement clearly did not apply to all amendments. The language read "or amendments thereto." If the Chair is to make the kind of ruling he has announced, I am obliged to appeal from the decision of the Chair, because I think it would be unfortunate if Senators could not rely upon the unanimous-consent agreements as printed on the calendar and on the blue cards that are distributed to Senators.

Mr. HOLLAND. Madam President—

Mr. DIRKSEN. Madam President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. Has the Senator from Wisconsin finished his inquiry?

Mr. PROXMIRE. The Senator from Wisconsin has finished his inquiry. It is his understanding that the Senator from South Dakota has stated exactly what the majority leader agreed to, but the Presiding Officer has ruled otherwise.

Mr. DIRKSEN. The ruling is that at 4:20 p.m. all debate on the Ellender amendment, and all amendments thereto, will come to an end.

Mr. CASE of South Dakota. Madam President, I appeal from the decision of the Chair.

Mr. HOLLAND. Madam President—

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. While I agree with the Senator from South Dakota as to the rightness of his position, the question need not cause grave concern, because the last paragraph of the unanimous-consent agreement specifically provides:

The said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Which means 4 hours of available extra time would be allotted on any of those questions. I cannot conceive of any Senator wanting to utilize more time than that.

Mr. DIRKSEN. Madam President, it is my understanding that if I desired to yield to the distinguished Senator from Florida on the bill, which I would be glad to do, I could not do so after 4:20 and still give him an opportunity to discuss the Ellender amendment before it is voted upon.

Mr. MAGNUSON. Madam President, will the Senator yield?

Mr. DIRKSEN. Madam President, I should like to have an answer to my inquiry.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. If I gave the Senator time on the bill, he could not discuss the

Ellender amendment because the vote would occur before that time. Debate on the amendment would be shut off.

Mr. EASTLAND. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. EASTLAND. Did not the previous occupant of the chair, at the request of the minority leader, rule that amendments to the Ellender amendment—specifically the amendment of the Senator from Wisconsin and the amendment of the Senator from Mississippi—could be offered after the vote on the Ellender amendment?

Mr. DIRKSEN. No; I think they could be offered if they were germane, but I thought they had to be offered before the vote on the Ellender amendment.

Mr. EASTLAND. No; that would fly in the face of the ruling.

Mr. DIRKSEN. I gather that time is running.

Mr. MAGNUSON. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I have an amendment which I intended to offer, but after looking it over, I believe it should be offered only if the Ellender amendment is agreed to. Would I be excluded from offering the amendment after the Ellender amendment was agreed to?

Mr. MANSFIELD. Madam President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. The amendment could be offered. Two hours of debate, 1 hour on each side, would be allowed.

Mr. DIRKSEN. But if the Ellender amendment were adopted, the question would arise as to whether it could be perfected. Many of the proposed amendments are perfecting amendments.

Mr. HUMPHREY. I should say yes.

Mr. DIRKSEN. I wish to be sure.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. If the amendment should strike out any part of the Ellender amendment, the amendment could not be offered after the Ellender amendment had been adopted. My amendment would strike it out. Therefore my amendment must be offered before the Ellender amendment is voted upon.

Mr. DIRKSEN. The Senator would be unable to do so, so far as debate is concerned, after 4:20.

The Senator from South Dakota has raised a new point with respect to an appeal from the ruling of the Chair.

Mr. MAGNUSON. I can save a little time if the Senator will answer my further question.

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. My amendment would add to the Ellender amendment if the Ellender amendment were adopted. May I offer it after 4:20 p.m.?

Mr. DIRKSEN. If the Senator can get time to offer it; but who will give him time? The minority leader will have to give him time, but his problem is how to provide time for Senators who have amendments.

Mr. MAGNUSON. I mean after 4:20.

Mr. DIRKSEN. The amendment would be a perfecting amendment in the form of an addition to the Ellender amendment. I believe the Senator should have a ruling from the Chair now as to whether, after the vote on the Ellender amendment, he is still in court.

Mr. MAGNUSON. There is no purpose in presenting the amendment unless the Ellender amendment is agreed to. Then I want an opportunity to present my amendment.

Mr. DIRKSEN. Let me state the question as unequivocally and simply as I can. Will any perfecting amendment which is germane and adds to the Ellender amendment be in order after the vote on the Ellender amendment?

Mr. MANSFIELD. Madam President—

Mr. DIRKSEN. I yield the floor.

Mr. MANSFIELD. I wish to make a unanimous consent request to the effect that the vote on the Ellender amendment and all amendments thereto be at 5 o'clock instead of 4:20.

The PRESIDING OFFICER. Is there objection?

Mr. MILLER and Mr. WILLIAMS of Delaware addressed the Chair.

Mr. MANSFIELD. I should like to amend that request to change the time to 4:45.

The PRESIDING OFFICER. Is there objection?

Mr. MILLER. Reserving the right to object, may I ask the majority leader a question?

Mr. MANSFIELD. I yield.

Mr. MILLER. The question is whether or not, after 4:45 p.m. an amendment to make an addition to the Ellender amendment, if it should be adopted, would be in order.

The PRESIDING OFFICER. The Chair rules that it would not be in order.

Mr. CASE of South Dakota. Would it not be in order as a new paragraph or a new section elsewhere in the bill?

The PRESIDING OFFICER. An amendment may be offered to any part of the farm bill not embraced in the feed grain amendment which is the pending Ellender amendment.

Mr. AIKEN. Does not the majority leader feel that the easy solution is to defeat the Ellender amendment?

Mr. MANSFIELD. The Senator from Vermont is asking the question of the wrong man. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I wonder if the Senator from Montana would modify his unanimous-consent request to allow 10 minutes of debate on each side on any amendment that is offered to the Ellender amendment. Then we can start at 4:20. At least we will know what we are voting on at the time we are voting on the amendments.

Mr. MANSFIELD. I agree. I make that a part of my request.

Mr. EASTLAND. What is the request?

The PRESIDING OFFICER. The unanimous-consent request is to extend the time to 4:45, with 10 minutes on each side on each amendment that is offered.

Mr. EASTLAND. No.

The PRESIDING OFFICER. May the Chair ask the Senator from Delaware what his request was?

Mr. WILLIAMS of Delaware. My suggestion was that debate is to be shut off at 4:20, we should allow 10 minutes to speak on each amendment to the Ellender amendment so we can vote first on the amendments, after a brief explanation of them, to be followed by a vote on the Ellender amendment. In that way we would know what we were voting on.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. I raise one question. There will be a demand for a ye-and-nay vote on one of these amendments. If debate is shut off at 4:45—

Mr. WILLIAMS of Delaware. It will not be shut off. We would take whatever time was required.

Mr. DIRKSEN. Does the Senator from Wisconsin desire to offer his amendment now? If so, I will yield him 5 minutes.

Mr. PROXMIRE. I would, under the unanimous-consent agreement just arrived at, or as proposed by the Senator from Delaware, if I could get 10 minutes to discuss it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware? The Chair hears none, and it is agreed to.

Mr. DIRKSEN. One further inquiry. It is my understanding that the amendments offered by the distinguished Senator from North Dakota [Mr. Young] are the pending business.

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the amendments of the Senator from North Dakota [Mr. Young]. [Putting the question.]

Mr. ELLENDER. I suggest the absence of a quorum.

Mr. MANSFIELD. Madam President, will the Senator withhold that suggestion?

Mr. ELLENDER. I withhold it. I ask for the yeas and nays on the Young amendments.

The yeas and nays were ordered.

Mr. HUMPHREY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. Young] designated "K." The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ELLENDER. Madam President, do I not have time for debate on this amendment?

The PRESIDING OFFICER. The time for debate on this amendment has been concluded. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. McGEE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Wyoming [Mr. McGEE] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from Wisconsin would vote "yea."

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KUCHEL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from California would vote "yea," and the Senator from South Carolina would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 36, nays 53, as follows:

[No. 58 Leg.]

YEAS—36

Alken	Curtis	Mundt
Allott	Dirksen	Murphy
Beall	Dworshak	Pearson
Bennett	Eastland	Prouty
Boggs	Fong	Proxmire
Capehart	Goldwater	Saltonstall
Carlson	Holland	Scott
Case, N.J.	Hruska	Smith, Maine
Case, S. Dak.	Javits	Stennis
Church	Keating	Thurmond
Cooper	Lausche	Williams, Del.
Cotton	Morton	Young, N. Dak.

NAYS—53

Anderson	Hickenlooper	Monroney
Bartlett	Hickey	Morse
Bible	Hill	Moss
Burdick	Humphrey	Muskie
Byrd, Va.	Jackson	Neuberger
Byrd, W. Va.	Jordan	Pastore
Cannon	Kefauver	Pell
Chavez	Kerr	Randolph
Clark	Long, Mo.	Robertson
Douglas	Long, Hawaii	Smathers
Ellender	Long, La.	Smith, Mass.
Engle	Magnuson	Sparkman
Ervin	Mansfield	Symington
Fulbright	McCarthy	Talmadge
Gore	McClellan	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio
Hayden	Miller	

NOT VOTING—11

Bush	Gruening	Russell
Butler	Johnston	Tower
Carroll	Kuchel	Wiley
Dodd	McGee	

So the amendment was rejected.

Mr. ELLENDER. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Madam President, I should like to ask the majority leader about the plans for the rest of the day. As I understand, there are still 25 amendments on the desk, and I thought the majority leader might like to advise the Senate how late the Senate may continue in session tonight.

Mr. MANSFIELD. Madam President, I think, first, I should ask the indulgence of Senators in bearing with the leadership in the prolongation of the rollcalls, because I understand the bells are not working, and I think we should give consideration to Senators caught in that predicament.

Relative to the question raised by the distinguished minority leader, I wish to say, after considering the question with him, it is anticipated that we may very well be in session until 7 or 8, or thereabouts, tonight. The purpose is to bring to a conclusion final passage of the bill perhaps late tomorrow night, and then take up the public works authorization bill. If we finish those two bills by Tuesday, it is the intention of the leadership to go over until the following Monday or Tuesday, with a pro forma meeting probably a week from tomorrow, with no votes to be considered.

This is not a carrot being held out, but it is a way of telling the Senate about the business before the Senate. If we can do it, fine; if we cannot, we shall have to consider other procedures.

Mr. DIRKSEN. Has an hour been set for convening tomorrow?

Mr. MANSFIELD. Yes; 10 o'clock in the morning. After completion of action on this bill will come the public works authorization bill. Some time after we return, after Memorial Day, we will take up the Interior Department appropriation bill.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. During the colloquy earlier in the day, when we were raising questions about the unanimous consent agreement, I appealed from the decision of the Chair, but did not press the appeal at that time, because a conversation with the distinguished majority leader indicated that he would ask for a modified request which would allow 10 minutes to a side on amendments. I told the Senator that in that event I would not press the appeal. I wish to have the RECORD show this, and to show, in effect, that I did withdraw the appeal.

Mr. MANSFIELD. Madam President, I wish to say to the distinguished Senator from South Dakota that hereafter we shall be extra careful in presenting unanimous-consent requests.

Mr. PROXMIRE. Madam President, I call up my amendment to the pending amendment numbered "5-22-62-F" and ask unanimous consent that the reading of the amendment may be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The amendment is as follows:

Amendment proposed by Mr. PROXMIRE:

On page 13, beginning with the new sentence in line 17, strike out all down through line 4 on page 14, and insert in lieu thereof the following:

"Notwithstanding any other provision of law, whenever a referendum is conducted pursuant to the provisions of the first paragraph of this section for the purpose of determining whether farmers favor or oppose marketing quotas for feed grains, the Secretary shall at the same time conduct referendums to determine whether farmers favor or oppose marketing quotas for wheat and cotton. The eligibility requirements for voting shall be determined in the case of feed grains by the provisions of the first paragraph of this section, in the case of wheat by the provisions of part III of subtitle B of this title, and in the case of cotton by the provisions of part IV of subtitle B of this title.

"Whenever referendums for feed grains, wheat, and cotton are conducted at the same time as provided herein, any farmer eligible to vote in more than one such referendum shall only be permitted to vote in favor of marketing quotas for all commodities with respect to which he is eligible to vote or against marketing quotas for all commodities with respect to which he is eligible to vote.

"In determining the results of a referendum conducted under this section, the votes cast in favor of or against marketing quotas in the case of feed grains, wheat, and cotton, respectively, shall be counted separately.

"The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in any of the referendums conducted voted against marketing quotas for the commodity concerned, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop or crops of that commodity with respect to which the referendum was applicable. If the Secretary determines that, in the case of the feed grain referendum, two-thirds or more of the farmers voting approve marketing quotas for a period of two or three marketing years, no referendum with respect to feed grains shall be held for the subsequent year or years of such period.

"If the Secretary determines that the date prescribed in the first paragraph of this section is too early or too late to conduct simultaneous referendums as provided herein, he may advance or delay the conducting of such referendums by publication of the change of date in the Federal Register."

Mr. HUMPHREY. Madam President, may we have order in the Chamber? The debate is under a limitation of time.

The PRESIDING OFFICER. The debate is under a limitation of 10 minutes to each side. The Senator from Wisconsin may proceed.

Mr. PROXMIRE. Madam President, I yield myself 10 minutes.

Madam President, I am opposed to the Ellender feed grains amendment for a number of reasons. The principal reason is that all available evidence indicates that if the Ellender amendment is agreed to and if it goes into the law, in the referendum which would follow there would be a negative vote, and the program would not come into effect. Two-thirds of the farmers involved would not vote in favor of the program.

The reasons for this are many. They are not based on theory. They are based on some very careful surveys by professionals who universally agree that this would be the situation.

One of the reasons for this is that two-thirds of the farmers involved do not sell their feed. The farmers feed it on their farms. They do not have any direct incentive for voting themselves a reduction in production. If the program went into effect the farmers probably would have to cut back their production of feed grains by 20 percent. If the farmers wished to maintain dairy production, the production of beef or of hogs, they would have to buy feed grains and they would have to buy them at higher prices. For this reason many farmers would vote "no."

There is another very important reason. With respect to the major money

crops what has happened in some areas of the country is that the farmers who have produced cotton, who have produced wheat, and who have produced other products of the kind with respect to which the farmers have supported marketing allotments—by very heavy votes, as the Senator from Louisiana has indicated—have then taken the acreage diverted out of cotton and out of wheat and have planted it to feed grains.

**COTTON, WHEAT FARMERS HAVE DIVERTED TO
FEED GRAINS**

I made that point yesterday, and I was challenged by the chairman of the committee. Today I wish to point out that in Texas, Oklahoma, and California, for example, cotton and wheat acreage was reduced by 6.3 million acres between 1952 and 1960, and during those same years feed grain acreage increased by 4.4 million acres. It is very clear that there is a pattern of diverting acres to feed grains. This is a big factor in causing the present surplus. And it is another reason why the experts are convinced that there will be a negative vote on a mandatory feed grain program. What would happen is that the farmers would vote in favor of limiting cotton acreage, in favor of limiting wheat acreage and acreage of other commodities, but the farmers would then vote against limiting themselves in the production of feed grains on their diverted acres.

In the third place, Madam President, the fact is that many farmers do not recognize the connection between the prices they get for hogs and beef and the price of corn. Economists recognize it. Experts recognize it. But thousands of farmers do not recognize it, and some farm organizations do not. Because this opinion is so widely shared, it is all the more reason why farmers will vote "no," feeling that they will be limiting production but getting no return for it.

DAIRY FARMERS WILL VOTE "NO"

Finally, dairy farmers will have no reason to support the program. I challenged the chairman of the committee yesterday to give me a single reason, and he did not come up with any. Dairy farmers will have no reason to vote in favor of this program, because the dairy farmer will be in the position that he will get \$3.11 per hundredweight for his milk. He will get 75 percent of parity, regardless. If he should vote in favor of the program, if the program is approved by the referendum, he would have to take a reduction in feed grain production. He would have to pay more for feed. He is now suffering from a very low support price, a support price which in my State at least drives farm income down below what is needed to maintain a bare minimum standard of living.

Virtually every expert agrees that if the referendum is voted down there will be chaos in farming, and a very bad situation in America. It will be the worst kind of situation possible.

That is not the opinion merely of liberals. The Farm Bureau Federation, which is the great conservative farm organization of America, agrees that the situation would be impossible if land were not taken out of production or if

something were not done, if price supports are abandoned. We would have a situation in which the farmers would be able to produce as much as they wished to, with no controls at all; with from zero to 50 percent price supports. There would be vast overproduction of feed, and distress prices for beef and hogs, as well as a greater than ever dairy surplus.

This is the reason I have offered the amendment. I ask the chairman of the committee to consider it seriously.

**AMENDMENT PROVIDES SIMULTANEOUS
REFERENDUMS**

What the amendment would provide is that with respect to feed grains, wheat and cotton, any time there is a feed grain referendum held, the cotton and wheat producers who also grow feed grains and also are eligible to vote would be required to vote simultaneously for controls on all crops or controls on none.

It seems to me that this would be only fair. This would make sense. This would provide a real opportunity and a real incentive to get the program into effect.

The chairman of the committee pointed out that some votes have been as high as 94 to 98 percent in favor of quota programs. I think there is no question that the farmers still would wish to have a limitation, but in all fairness to the Midwest producing areas of feed grains, if we are to permit the cotton farmers and the wheat farmers to have a program with higher prices then we ought to demand also that they support a marketing quota program for feed grains.

When the referendums were tallied they would be tallied separately. It seems to me this would not prejudice the cotton program or the wheat program, but it would give the feed grain program a far better chance of approval.

Mr. LAUSCHE. Madam President, will the Senator yield to me?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. I wish to invite the attention of the Senate to the vote taken by the farm journal, which recorded the votes of 64,560 farmers. The compulsory quotas were supported by 4 percent of the 64,560. Land retirement was supported by 43 percent; and 53 percent, said to have the Government "clear out."

These figures offer great support to what the Senator from Wisconsin has said. Only 4 percent of the 64,560 expressed their support of compulsory quotas.

The argument made by the Senator from Wisconsin is emphasized by the fact that the compulsory reduction would apply to the farmer who is trying to grow enough products to feed his cattle.

One of the staff members told me a moment ago that 85 percent of the feed grains are not moved from the farm; or, if they are moved, are moved to the immediate vicinity and are not placed in the commercial market.

Mr. PROXMIRE. The Senator is correct. I agree that there is a great deal of sentiment on the farms for this proposal.

I think most of us are aware that if this is put into effect overnight, all of a

sudden, and there is an end to the whole program for feed grains without any gradual provision, there would be chaos and an extremely serious situation. It would be a disaster not only for the feed grain farmers but also for the hog farmers, the beef farmers, and eventually the dairy farmers.

Madam President, I reserve the remainder of my time.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. PROXMIRE. I prefer to reserve the remainder of my time. I have only about 2 minutes remaining, and I would prefer to have the chairman of the committee use some of his time.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I cannot as yet determine what is the purpose of my good friend from Wisconsin. It strikes me that each of these programs should stand on its own feet.

What would be gained by requiring the wheat farmer, the feed grain farmer, and the cotton farmer to vote the same for the three programs? I cannot understand it. The law as it now applies to the commodities mentioned, that is, wheat and cotton, have been on the statute books for some time. It strikes me that the voting on those programs should be separate. For the life of me, I cannot see what advantage would be gained by combining the three commodities in one vote.

The amendment to the mandatory feed grain program amendment provides for simultaneous referendums on feed grain, wheat and cotton marketing quotas, and would require any producer eligible to vote in more than one such referendum to vote the same way in each such referendum. Thus, a cotton farmer wishing to vote for cotton marketing quotas, would be required to vote affirmatively for feed grain quotas, if he were also eligible to vote in the feed grain referendum. The purpose of the amendment is to prevent producers from voting for cotton and wheat quotas and against feed grain quotas, and then diverting acreage from cotton or wheat to feed grains.

The amendment is similar to the tie-in sales that were so objectionable during the price control days. In order to get something he wants the producer will be required to take something he does not want. I believe that two-thirds of the voters in a feed grain quota referendum, if permitted a free choice, would approve quotas. But I do not believe that they should be forced to vote one way or another against their best judgment.

The amendment would introduce considerable administrative difficulties. The ballot is by law a secret ballot. But how can the Secretary determine that a producer voting "yes" in the feed grain referendum has also voted "yes" in the cotton referendum and still protect the secrecy of the ballot?

July 24 is at present the latest date on which the wheat referendum may be held. The testimony before the committee was that the farmer should know

whether there will be quotas or not much earlier than this in order to make his plans. The committee in the permanent wheat provisions of the bill made the latest date for the wheat referendum about June 13. It must be within 60 days of the quota proclamation, which must be made before April 15.

Cotton quotas need not be proclaimed until October 15 under existing law and the referendum need not be held until December 15.

Under the feed grain amendment I have proposed, the quota could be proclaimed as late as June 19 and the referendum could be held as late as 60 days later in October.

All these dates have been worked out carefully to give the Secretary adequate time to obtain as current information as possible and still give the farmer as much time as he needs to plan his production. The holding of simultaneous referendums would, of course, upset this balance.

I ask the Senate to reject the amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. In order to clarify the RECORD with reference to one or two points, first, the argument that 85 percent of feed grains are fed on the farm or used in the area nearby still does not tell the whole story about the situation relating to feed grains. How much feed grain is there in the Commodity Credit Corporation warehouse at the present time?

Mr. ELLENDER. I am amused every time I hear that argument, because I wonder how in the world the large quantity of feed grain now on hand got into the Government's possession. We now have on hand \$3 billion worth of feed grain.

Mr. HUMPHREY. How many bushels?

Mr. ELLENDER. We now have on hand 2.4 billion bushels of feed grain.

I cannot follow the argument that 85 percent of the grain is fed on the farm or on farms nearby.

Mr. HUMPHREY. There must be a big farm in the Commodity Credit Corporation.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. I quoted figures which were secured from members of the staff. They indicate that 85 percent of the feed grain products of the farm are used on the farm or in the immediate vicinity thereof, and are not fed into the commercial market. The members of the staff are the authors of the statement. I suggest that there be some reconciliation of opinions between those in control of the committee staff and members of the committee.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. I suggest that the figure may be correct as to each year's annual consumption. Eighty-five percent of that amount is consumed by farms or on farms nearby. It would

not apply to the enormous stockpile. But I believe the figures used by the Senator from Ohio are correct.

Mr. HUMPHREY. The point I attempted to make is that those figures do not tell the whole story. The fact is that, despite the figure, there is still \$3 billion worth of feed grains owned by the Government, and in any man's language, that is a great deal of feed.

Mr. LAUSCHE. Mr. President, I think it merely proves that for many years we have been playing the part of Don Quixote in Congress by trying through legislative fiat to cure something that has demonstrated its incurability.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. On the question of supply and consumption, a copy of the Wall Street Journal dated May 22, 1962, was handed to me in which the following article appears:

Corn glut held by Uncle Sam shrinks fast. The price-support pile of corn owned by the Government fell to 729 million bushels May 1, down 138 million bushels from a month earlier and far below the 1.4 billion held a year before.

Mr. ELLENDER. I stated that the carryover last year was 85 million tons. Now it is about 78 million tons.

Mr. PROXMIRE. Mr. President, it is my understanding that I have 3 minutes remaining. In view of the fact that the chairman will not accept my amendment and that it would have no chance, I shall not request a ye-and-nay vote. However, I wish to use the remainder of my available time to speak against the basic amendment, the Ellender amendment.

The main point, which I have not yet made, is that in effect the amendment would disenfranchise 1,100,000 small farmers. It would do so in the following manner: The amendment provides that if farmers grow 25 acres or less of feed grains, they have a choice. What a choice. They have a choice of voting in the referendum. If they vote in the referendum against limiting their production, they are subject to a limitation of their production. Then they must lose 20 percent or more of their production.

But if they do not vote in the referendum, they still have a limitation on the amount of feed grain they can produce. I am convinced that there are hundreds of thousands of farmers in this country who will deeply resent it when they are told by the Department of Agriculture that although they cannot vote without incurring a sharp economic loss, nevertheless they cannot produce one more acre—or even one more square foot—of feed grain.

That is wrong; and there will be deep resentment if the amendment is agreed to. I do not think Senators realize what the amendment would do. Its effect would be very serious. I would not like to go back to Wisconsin and explain to a dairy farmer that he will not receive any more money for his milk, but that he cannot grow another foot of corn for silage, or any kind of corn or sorghum. That is exactly the provision of the

amendment. It seems to me that Senators should realize that in effect, the amendment would disenfranchise 1,100,000 small farmers.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a brief observation?

Mr. ELLENDER. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. The great difference between the current law and the bill is that under the corn law the farmer himself can either sign up or not sign up; and if quotas are voted under the bill, every farmer in effect has signed up.

Mr. PROXMIRE. The Senator is correct. Furthermore, unless a farmer signs up, he cannot vote. If they vote, they must take a terrific cut, one that they cannot afford to take. It means that they cannot vote, and that they are in a position to be limited.

Mr. President, I yield back the remainder of my time.

Mr. COOPER. Mr. President, is there any time remaining on the Ellender amendment?

The PRESIDING OFFICER. The Senator from Louisiana has time.

Mr. ELLENDER. Does the Senator from Kentucky wish me to yield?

Mr. COOPER. If there is any time left on the basic Ellender amendment.

The PRESIDING OFFICER. Twenty minutes remain on the Ellender amendment.

Mr. COOPER. Mr. President, may I have some time?

Mr. PROXMIRE. Will the Senator from Kentucky permit the Senate to finish consideration of my amendment?

Mr. COOPER. Certainly.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE] to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment to the amendment was rejected.

Mr. MILLER. How much time does the Senator from Kentucky desire?

Mr. COOPER. Three minutes.

Mr. MILLER. I sent to the desk an amendment to the Ellender amendment and ask that it be read.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. Amend the Ellender amendment by striking out lines 8 through the word "Act" in line 15 on page 6 and insert "products thereof, less (if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive) an amount of feed grains determined by the Secretary to be a desirable reduction in such marketing year in such stocks, but not in excess of 10 percent of such stocks, to achieve the policy of the Act".

Mr. MILLER. I yield 3 minutes to the Senator from Kentucky.

Mr. COOPER. I shall not now speak on the amendment offered by the Senator from Iowa, but on the Ellender feed grain amendment. Earlier today I spoke briefly on the Ellender wheat amend-

ment. I voted in favor of it. In the short time that I spoke, I tried to point out the reasons which led me to support the wheat amendment proposed by the Senator from Louisiana, and the reasons which impel me to vote against the feed grain amendment.

I agree wholly with the argument of the Senator from Ohio and other Senators when they say that it is doubtful that everyone in this body has thought about the consequences of this amendment, and whether the people of the country have thought about the consequences which would follow if the feed grain amendment should be adopted. I point out that there are great differences between the wheat amendment and the feed grain amendment. Wheat has a long history of compulsory acreage allotments and marketing quotas for which farmers have annually voted. Yet, the existing wheat program cannot work, because by law reductions in wheat acreage cannot be made below 55 million acres. Further, wheat is the crop in greatest surplus, and in which the Government has the greatest investment.

In contrast, corn and other feed grains have never had this experience and history of compulsory controls. I believe that if the feed grain amendment is adopted, it will have these consequences:

Many farmers who now grow corn and sorghum and barley for use on their own farm as feed for their livestock and poultry will find themselves in the position where they cannot grow enough feed for the livestock and poultry enterprises best suited to their farms. Certainly, they would not be able to expand their production to meet the changing needs of livestock operations on their own farms. That is a very radical proposal to impose upon farmers who have always been able to produce for their own feeding needs.

The distinguished Senator from Louisiana has pointed out that there are rather large stocks of feed grain on hand. However, if we study the tables in the committee report we find that the surplus stocks of these feed grains are very small compared with the consumption in a year.

With respect to corn, it is about a half year's supply. It is just about enough for use in one-half year. For other feed grains the supply is less. To take the step proposed by the Ellender amendment, with no chance for farmers to consider fully its consequences, is wrong.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLER. I yield 1 more minute to the Senator from Kentucky.

Mr. COOPER. Furthermore, I believe the adoption of the amendment will lead eventually to controls being placed directly upon livestock. Some administration witnesses who came before our committee admitted that it could logically lead at some time to controls on livestock. I believe the Senate has gone far enough, and that Congress will have gone far enough if we meet the wheat problem. Wheat is the pressing farm problem.

I hope my colleagues on the other side of the aisle, on the Democratic side, will

not, by legislative fiat, say to farmers, "You cannot raise feed for your own use." It is in line with the thinking of some people in the Department of Agriculture. It is not in line with the thinking of the farmers of this country or the people of this country. I hope the amendment will be voted down.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLER. Mr. President, how much time remains on my amendment?

The PRESIDING OFFICER. Four and a half minutes.

Mr. MILLER. I yield myself 3 minutes.

Mr. MILLER. Mr. President, my amendment relates to page 6 of the Ellender amendment. It seeks to eliminate the provision in the Ellender amendment which would take into account imports of feed grains that cut down on the national allotment. Furthermore, it would modify the Ellender amendment by taking into account the reduction in stocks of the Commodity Credit Corporation, in such amount as may be determined by the Secretary of Agriculture. Instead, if my amendment is adopted, it will altogether eliminate from consideration the imports of feed grains. I believe that is a practical and sensible and fair thing to do. We do not want to have imports of feed grains, if our situation is such that we must cut down on the amount of production of our own farmers.

Furthermore, it seems to me to be fair and practical to put a limitation on the amount the Secretary of Agriculture can take out of the Commodity Credit Corporation stocks.

The Ellender amendment would give him unlimited discretion in that connection. Under my amendment he would be limited to taking out not in excess of 10 percent of the stock in any one year.

It seems to me that if we are to take into consideration the Commodity Credit Corporation stocks, we ought to do it on a gradual basis, instead of giving discretion to the Secretary of Agriculture to take out more than 10 percent in any one year.

I shall be very happy to yield for questions. I have not had an opportunity to discuss the amendment with the distinguished Senator from Louisiana. I believe it is a fair amendment. I hope he will accept it.

Mr. ELLENDER. Mr. President, I am opposed to the amendment. Under my amendment, the Secretary of Agriculture would use the same yardstick as he uses for other basic commodities in determining what the domestic needs will be, what the export needs will be, and what will be needed for a sufficient carryover. Under my amendment, the Secretary could not go under 110 million tons of feed grains. He could go above that amount if he desired to do so. But the purpose of the amendment of the Senator from Iowa is to prevent him from going deeper than 10 percent into the huge carryover we now have.

As I have pointed out, there are on hand today 2,400 million bushels of corn and other feed grains, in which the Government has invested about \$3 billion.

Under the Senator's amendment it may take forever to get rid of this surplus. There is no doubt that so huge a surplus dangling over the market has an adverse effect on prices. I should much prefer to leave it to the discretion of the Secretary to reduce this huge stock as soon as he can and go back to a carryover which I would consider to be normal.

SUCCESSFUL CONCLUSION OF ORBITAL FLIGHT BY COMDR. SCOTT CARPENTER

Mr. KERR. Mr. President, will the distinguished Senator from Louisiana yield me 1½ minutes?

Mr. ELLENDER. Mr. President, I yield a minute and a half to the Senator from Oklahoma.

Mr. KERR. Mr. President, the breathtaking and successful conclusion of Comdr. Scott Carpenter's orbital flight has thrilled all America and the free world. His success points up once again the great progress being made in our space program, and the magnificent teamwork of the more than 30,000 persons directly involved in the Mercury manned space flight project.

This flight has provided an important continuation of the flow of scientific information which is so vital to the ever-growing capabilities of man in space.

Commander Carpenter has further enhanced the superb traditions of skill, dedication, and faith which his predecessors in Project Mercury space flights have established.

The determination of the United States to explore and develop space for peaceful purposes once again has been exhibited openly to all people throughout the world.

To Commander Carpenter, to our great space agency and its distinguished leaders, Mr. Webb, Dr. Dryden, Dr. Seamans, and to the thousands of determined and inspired workers in science and industry who have made this additional scientific knowledge and progress possible, I join all America in saying heartiest congratulations for a job well done. [Applause.]

I thank the Senator from Louisiana for yielding.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Did I correctly understand the Senator to speak of a surplus of 3 billion bushels of feed grains?

Mr. ELLENDER. No; a surplus of \$3 billion worth of feed grains.

Mr. MILLER. A \$3 billion surplus of feed grains?

Mr. ELLENDER. Yes; feed grains now on hand.

Mr. MILLER. Feed grains?

Mr. ELLENDER. Yes; that includes corn, sorghums, and oats. The Senator is correct. The figure is as of March 31, 1962.

Mr. MILLER. May I comment on that statement?

Mr. ELLENDER. The Senator from Iowa has a minute and a half of his own time remaining in which to do so.

Mr. MILLER. It seems to me that a 10-percent reduction every year is a reasonable maximum. We are not trying to cut down the surplus overnight; in fact, we are not trying to eliminate it. I think it would be a mistake to eliminate all the surplus. The Senator well knows that there ought to be a strategic reserve of feed grains. I do not believe we should talk about eliminating all the surplus.

Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 5 minutes remaining.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 1 minute?

Mr. ELLENDER. I yield the Senator from Minnesota 1 minute.

Mr. HUMPHREY. Mr. President, the RECORD ought to show clearly that under any program of controls or allotments we do not conform strictly to what is called a supply-and-demand formula, because the supply, as interpreted by the proposal before us, includes normal use, the export factor, plus the international requirements, plus the normal carryover for safety at home. All this is included in our definition of supply.

I spoke on this subject last evening. I have an amendment, which will be more specifically set forth, to direct the Secretary along this line and to so define "supply" in the proposed legislation.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. MILLER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment to the amendment was rejected.

Mr. EASTLAND. Mr. President, I offer my amendment designated "5-22-62—C," to the Ellender amendment, and ask for its immediate consideration. I ask unanimous consent that the reading of the amendment be waived.

The PRESIDING OFFICER. The amendment to the amendment will be identified.

The LEGISLATIVE CLERK. The amendment is designated "5-22-62—C."

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be printed without reading.

The amendment to the amendment is as follows:

On page 12, line 11, strike out "SMALL FARM EXEMPTION" and insert in lieu thereof "EXEMPTIONS".

On page 12, line 12, insert "(1)" immediately after "Sec. 360f."

On page 13, between lines 3 and 4, insert the following:

"(2) Notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:

"(A) that none of such crop of feed grains is removed from such farm;

"(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and

"(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph.

On page 19, line 15, strike out the period after the word "section", insert in lieu thereof a comma and the following: "or (III) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Mr. EASTLAND. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. EASTLAND. Mr. President, the amendment simply provides that a man may grow on his own land without price supports, whatever feed is necessary for consumption on his property. Suppose a man owns a herd of cattle. The way the bill now reads, he may not grow enough grain to feed his own cattle on his own property.

I submit that before Mr. Krushchev takes over, we should get back to some of the fundamentals upon which this country was founded. A man owns his soil to derive the fruits thereof. Suppose he owns a farm and has invested thousands of dollars in tractors and other farm equipment with which to raise grain to feed his livestock. There cannot be any reason why he may not grow on his own property the necessary grain to feed his own livestock.

Several million workhorses and mules are on the farms of this country. Un-

less my amendment is adopted, there will be many instances in which farmers will not be able to grow the grain to feed their own livestock on their own property.

My amendment would not cost the Government a dime. It would not result in an addition to the surplus. Not a bushel of the grain would go into a Government warehouse. The amendment would merely permit the farmer to grow the feed necessary for consumption on his own farm, without price support. The amendment should be adopted.

Mr. McCARTHY. Mr. President, will the Senator from Louisiana yield me 2 minutes?

Mr. ELLENDER. I yield 2 minutes to the Senator from Minnesota.

Mr. McCARTHY. The amendment of the Senator from Mississippi takes on a fine moral tone; but if we move over into cotton, should the farmer be permitted to plant whatever amount of cotton he needs? Or should he be permitted to grow as much tobacco as he wishes, if he grows tobacco?

Mr. EASTLAND. Is the Senator asking me a question?

Mr. McCARTHY. No; I have been yielded time by the Senator from Louisiana. I was merely commenting.

Mr. EASTLAND. The Senator from Minnesota knows that cotton and tobacco are industrial commodities and are not consumed on the farm.

Mr. McCARTHY. If the Senator wishes to limit his proposal to having the farmer raise all the corn he needs to feed his cattle and to feed himself on the farm, that is another question; but livestock is a commercial product and can be taken to the stockyards.

Mr. EASTLAND. A man who owns a herd of cattle should be permitted to grow on his farm the products necessary to feed the cattle.

Mr. McCARTHY. Should a man who raises cotton be permitted to raise all the cotton he can gin on his farm?

Mr. EASTLAND. Of course, if he owns a gin.

Mr. McCARTHY. If he owns a gin, he can gin the cotton and market it.

Mr. EASTLAND. The average cotton farmer grows 10 or 15 bales. A gin will gin several bales.

Mr. McCARTHY. If he gets a bigger gin, should he be given a bigger quota?

Mr. EASTLAND. He would have to own more land. He would have to be a rich man. He could not gin a large quantity of cotton if he had a small farm.

I am trying to help the small farmer who owns a herd of cattle to grow on his own land the grain necessary to feed the cattle. What does he own the land for?

Mr. McCARTHY. Does the Senator from Mississippi want the quota to go with the gin?

Mr. EASTLAND. Mr. President, what does the farmer own the land for, or what does he own the tractors for, or what has he made that big investment for? His purpose is to be able to feed his own livestock.

Mr. McCARTHY. He can raise on his farm all the feed he wants to raise to feed to all the livestock he will be able to eat, but not enough to feed to livestock to be sold commercially and put on the market.

Mr. EASTLAND. But that is his right, as an American citizen.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Following the remarks of the Senator from Mississippi, I wish to say that two very important factors are involved. One is the freedom of the farmer and the individual; the other is the cost to the Government.

The administration's proposal is a long start toward depriving the American farmer of the right to operate his own business, and it will be definitely more costly than the program we now have, taking into consideration the fact that the Department of Agriculture has not been trying to administer the present program in a manner calculated to make it economical.

Mr. KEATING. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. First, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. EASTLAND. How much time remains under my control?

The PRESIDING OFFICER. The Senator from Mississippi has 7 minutes remaining under his control, and the Senator from Louisiana has 8 minutes remaining under his control.

Mr. HOLLAND. Mr. President, will the Senator from Mississippi yield to me, for a question?

Mr. EASTLAND. I yield for a question.

Mr. HOLLAND. Is it not true that for years, by action of the Congress, there has been a 30-acre exemption as to the production of wheat on the farm, for use on the farm?

Mr. EASTLAND. It has been either 25 or 30 acres.

Mr. HOLLAND. I wonder why there is a difference and what the reason is for the distinction between the 30-acre exemption for wheat and the lesser exemption for feed grains.

Mr. EASTLAND. There is this difference: Most of the wheat is sold on the market and is used for commercial purposes. But I am saying that an American farmer should be able to grow on his own farm whatever amount of feed he needs for his own livestock, whether it be beef cattle, dairy cattle, horses, mules, or billygoats. As an American citizen, he has that inherent right.

Mr. KEATING. Mr. President—

Mr. AIKEN. Mr. President, will the Senator from Mississippi yield 1 minute to me?

Mr. EASTLAND. I yield.

Mr. AIKEN. Mr. President, I yield that minute to the Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, I wish to comment on the remarks made by the distinguished Senator from Vermont [Mr. AIKEN].

The Senator from Mississippi [Mr. EASTLAND] and I find ourselves in disagreement on some issues; but I must say that on this issue I am completely in agreement with the Senator from Mississippi. I know the poultry farmers and the dairy farmers and other groups of farmers deeply resent being restricted as to the amount of wheat and feed they may grow on their own farms for their livestock. It has always seemed to me to be very dangerous to have such a provision in our law.

This is a good illustration of what our farm programs will lead to. This kind of control is frightening in the extreme. To limit what a man can grow and consume on his own land is the last word in regulated agriculture. It is the farmer in chains. What will it lead to next? Will the shopkeeper, the workingman, the clerks, and teachers be subject to controls like this?

Mr. President, this amendment goes to the very heart of this entire issue. I am happy to support the amendment of the Senator from Mississippi in this matter.

Mr. LAUSCHE. Mr. President, will the Senator from Mississippi yield 2 minutes to me?

Mr. EASTLAND. Mr. President, I yield 2 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, I wish to emphasize the point already made—namely, that the pending proposal has far-reaching ramifications. I definitely concur in that statement.

I anticipate that before the year is over, many of us will receive complaints from farmers who will find that they have planted more than the law allows them to plant, even though they have done that for the purpose of feeding their own livestock and managing their own small farms—with the result that these farmers will be brought into court and will be charged with crime. Then the farmers will write to their Members of Congress, and will ask, "What have become of my liberties as a farmer? I own this small farm, and I have some hogs and some cattle and some billygoats, and I need the feed grains to keep this farm running. But the great and powerful sovereign Government of the United States has declared by law that in my humble efforts to run this farm, I shall not be permitted to grow the crops that are needed for this humble operation."

Mr. President, the far-reaching ramifications are beginning to manifest themselves.

The PRESIDING OFFICER. The time yielded to the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Mississippi yield 2 more minutes to me?

Mr. EASTLAND. If I have any time remaining, I am glad to yield it to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Mississippi has 2 minutes remaining under his control.

Mr. EASTLAND. I yield that time to the Senator from Ohio.

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. DIRKSEN. The Senator from Ohio has not yet heard of the Freeman-Cochrane axis, has he? I concur in everything the Senator from Ohio has said; but he has not yet heard of the Freeman-Cochrane axis, has he?

Mr. LAUSCHE. Mr. President, I shall not comment on that point.

I merely wish to state to the Senate that probably there is not one Senator who has not gone through his State on Decoration Day or the Fourth of July or Constitution Day, proclaiming the goodness which comes with the liberties provided by our Constitution and our Declaration of Independence. But, Mr. President, I ask this question of my colleagues: What are becoming of the liberties of the American farmers, when it is proposed to put this harness and this shackle upon them?

Mr. STENNIS. Mr. President, at this point will the Senator from Ohio yield for a question?

Mr. LAUSCHE. I yield.

Mr. STENNIS. Is it not true that throughout the rural communities, for many decades the American farmer has been taught day in and day out by the agricultural experts to grow what he needs on his farm—to grow what he needs in order to feed his livestock—his cattle, his work stock, and so forth—and that the only way he will be able to make ends meet is to live at home and produce his necessities there? Has not that been taught as being fundamental to our agriculture?

Mr. LAUSCHE. Yes.

On this floor I have heard arguments in favor of protecting the little farmers. But where is the protection for them in the pending measure? This measure contemplates, in effect, destroying the small farmers.

Aside from any other reason for voting against this measure, I shall vote against it because I subscribe to the perpetuation of the freedom and the liberty of the citizens of this country; and I hope all my colleagues who believe in that principle will give thought to it and will recognize the far-reaching impact of the pending proposal.

The PRESIDING OFFICER. All time under the control of the Senator from Mississippi has expired.

Mr. ELLENDER. Mr. President, I have listened to the dramatic speech made by my good friend the Senator from Ohio. I am sure that he is opposed to the feed-grains bill. However, the difficulty is that he has failed to read the bill, for small farms up to 25 acres are exempted from this measure. If in the past the small farmers have planted 25 acres or less, those acres are not covered by this bill; and, in addition, the farmer is at liberty to plant all the oats he desires to plant, because oats are not covered by this bill, and neither is rye.

Mr. President, my purpose here is to provide that if corn farmers expect the Government to support the price of the corn they produce, then they must cur-

tail production in line with our requirements. Or if they vote not to curtail production, then price supports will be set at market price levels.

Mr. EASTLAND. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I do not yield now.

Mr. President, in the past 15 years the great difficulty has been that the corn grower has been exempt from all of these controls. The corn grower has been able to plant all he desired, with price supports. Even marketing quotas were removed from the corn producer. I say it is unfair to the taxpayers of the Nation to permit corn producers to grow all the corn, sorghum, and barley they wish, and let Uncle Sam carry the surplus. That is what it amounts to.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I do not yield at this time; I have only a short time.

We have gone far to exempt from my amendment the people the Senator from Ohio is crying about. I am for the small farmer as much as he is, or as much as any other Member of the Senate, and in the bill we have exempted those who produce on less than 25 acres.

In addition, we have said to the farmer, "If you planted corn for silage in the past, you have a history for it, and you can plant it without any penalties." We have done everything possible to assist the small farmer for whom my good friend from Ohio has been pleading.

I would be the last man on earth to do anything to injure farmers, but when a farmer plants 50 or 60 or 75 acres to corn and then lets Uncle Sam buy the corn from him and store it, that is where I want to draw the line.

As I pointed out before, controls have been in effect on all other basic crops. The program has worked well on cotton, rice, tobacco, and other basic commodities. But in those cases the farmers themselves voted for programs which gave the Secretary of Agriculture the right to curtail acreage so that production would be in keeping with our requirements.

We have also provided for the deficit areas. Under the provisions of the bill, the Secretary of Agriculture, wherever there is a deficit area of feed production, may exempt such areas.

So we have done all possible to assist small farmers.

I repeat, because it needs repeating, that up to March 31 we had \$3 billion worth of corn on hand, which represents 2.4 billion bushels. I want to get rid of these surpluses. If this amendment is adopted, it will kill the corn provision now before the Senate, because it will mean that a farmer can grow any amount of feed he desires, or any crop he desires to grow on the land, provided it is fed on the farm. That, to my way of thinking, means the killing of this bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ELLENDER. How much time does the Senator wish?

Mr. GORE. Two minutes.

Mr. ELLENDER. I yield 2 minutes to the Senator from Tennessee.

Mr. GORE. I have not been able to enter into the debate, but this is a subject about which I have some knowledge. In my considered opinion, adoption of the amendment would nullify the effectiveness of the provision offered successfully by the senior Senator from Louisiana.

If we accepted the proposition that a producer can produce without limit so long as he feeds it on his own farm, I ask the senior Senator from Louisiana, whether, in his opinion, that would not be an open invitation for a corporate combination of corn land and the feed lots?

Mr. ELLENDER. There is no question about it. It would really kill the bill.

Mr. GORE. It would kill the bill.

Mr. ELLENDER. Yes.

Mr. GORE. As the Senator from Mississippi has said, it is the same thing as permitting a farmer to produce all the cotton he can produce on his farm. If a farmer can produce all the feed he can produce, there will be an open invitation for a corporate combination of corn land and the feed lots.

Mr. EASTLAND. The Senator from Tennessee would not misquote the Senator from Mississippi; would he?

Mr. GORE. If I misquoted the Senator, I did not mean to do so. I withdraw the statement.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for a question?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Senators constantly talk about the feed-grain provision as if it represented a drastic cut. Supply is to be related to the needs, to the reserves, to the consumption requirements, and to the export requirements. Under the terms of the bill there is to be established a minimum of 110 million tons of feed grains. The Secretary can have no quotas or allotments below that. He could go higher. If there were a shortage, instead of reducing the acreage he could increase it.

A certain degree of flexibility has been provided. What has been provided is a program of "no free riders." That is what the Senator from Louisiana is talking about.

I think the point was well made by the Senator from Tennessee [Mr. GORE] and by my colleague from Minnesota [Mr. McCARTHY], that a provision which permits a farmer to feed all he can produce on the farm, regardless of his historic base, might well result in promoting one of the biggest combines of feeder lots, hog production, and corn production that one could ever hope to see, and might help to do away with the family farm. Senators should think about that for a moment.

Protections have been written for the small farm, for the deficit areas, and with respect to the adequacy of supplies.

I point out that in 1958 farmers produced 22.4 million tons of oats, which is a good feed, which has a feed equivalent to corn of about 60 to 65 percent. That 22.4 million tons is exempt. Farmers can produce 40 million tons of oats, and it will be exempt. It is good hog feed.

It is good chicken feed. It is good turkey feed. It is good beef feed. Yes; and it is good horse feed, if there are any horses left.

In 1959 farmers produced only 107 million tons of corn, so the proposal is not one which should shock someone to death. What is really sought is to shock the Treasury. I say, as a friend of agriculture, that the time has arrived when the friends of agriculture had better make up their minds whether the public will become so discouraged and disgusted with the cost of the farm program that there will not be any program.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. HUMPHREY. We are at that point now, Mr. President.

Mr. ELLENDER. Mr. President, I yield 2 minutes from the time on the bill to the Senator from Missouri [Mr. SYMINGTON].

The PRESIDING OFFICER. The Senator from Missouri may proceed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. SYMINGTON. Mr. President, I have listened to this discussion with interest. The basic trouble with respect to the current farm programs in this country today is found in excessive inventories. Excessive inventories probably have killed more businesses than any other single factor. And they will ruin the entire farm program unless we face the problem now in the Senate.

In my opinion, the position of the distinguished Senator from Louisiana is correct. The farmers of this country cannot have it both ways. If they believe in price supports—and I would hope they would and would get fair price supports—they should be willing to have their production controlled. That is what we are talking about.

I shall oppose the amendment, for the reasons I have stated, and vote for the Ellender amendment.

As a representative of a State where agriculture is still the No. 1 business, I want to pay tribute to the members of the Committee on Agriculture and Forestry for their many long hours of work on the Food and Agriculture Act, and especially to the able and experienced chairman of that committee, Senator ELLENDER.

I do not agree entirely with the committee majority; but their report explains the bill fairly and well. With the supplemental views presented, it gives us an excellent basis for appraising the current operations of the farm program as it has been operating; and also for deciding what the farm program should be.

I hope we will consider this act as a business matter because any agriculture problem can only be solved through the application of sound business principles.

American farmers are not lacking in independence and self-reliance. On the contrary, they are among the most independent and self-reliant people in the Nation. But at times it has been necessary for them to have support from their Government, support comparable to tariff protection for business and minimum wages for labor.

The number of farmers has been steadily decreasing. American agriculture, however, is still made up of some 3.7 million individual units, most of them family owned and operated.

It is hard for American farmers, scattered all over the country, and with diverse but closely related interests, to get together nationally to solve the problems of their industry. Hence they look to their Government for advice, and at times assistance, on the two major aspects—production and marketing.

New machinery and new chemicals, along with improved management, has increased our agricultural productivity to an extent once unimagined. As example, whereas in 1938 wheat yields per acre averaged 13.3 bushels, by 1960 yields averaged 26.2 bushels per acre.

The "Food and Agriculture" booklet published by the Department of Agriculture, reports the average yield of cotton has risen from 270 pounds per acre in 1950, to 438 pounds in 1961. A further increase to 500 pounds is expected by 1967.

Average yields for the four major feed grains have risen from less than a ton per harvested acre in 1950 to 1.32 tons in 1961. A further increase to about 1.5 tons is expected by 1967.

In 1980 this Nation will have a population of 245 million people, 60 million more than today. But our food and fiber needs will be met on 50 million less acres of cropland than are now in use.

Over the years price supports have prevented economic disaster for our farmers. But without truly effective production controls these price supports can only lead to unnecessary and expensive surpluses.

At the close of the 1951 marketing year, the feed grain carryover was 20.1 million tons. By 1961, however, this carryover had increased to 84.7 million tons.

The wheat situation is quite comparable. The carryover has been increased from 256 million bushels at the close of the 1951 marketing year to 1,412 million bushels at the close of the 1960 marketing year.

Following an increase in dairy price supports—without production control—at the same time there was a heavy drop in consumption, the surplus of dairy products multiplied to where, at the end of March, the CCC had some 280 million pounds of butter.

Nor is the price support reduction of last April expected to cut production; in fact, it may result in an increase, because milk farmers will try for maximum production in effort to meet costs.

This is the problem—large surpluses which must be handled, because, as of March 31, the Commodity Credit Corporation owned \$4.5 billion of surplus farm products, and had loans on \$2.9 billion more.

Let us also remember that the carrying charges for these surpluses now amounts to over \$1 billion a year.

Buying and storing farm commodities far beyond our needs is an expensive way of temporarily avoiding the issue; and makes any solution all the more difficult.

Therefore, if we are to support prices, we must have production controls; acreage controls alone are simply not enough.

American farmers have a long and cherished tradition of independence. They do not relish being told how much they can produce, or on what terms. But the thinking man of agriculture knows that is the price which must be paid for any meaningful price support program.

Those who advocate price supports without adequate production controls are no friends of the farmer. Such a course can only increase the already staggering surpluses, which must be stored at additional cost to the Government.

Let us hope, therefore, that the Senate will vote the farmers the right to a realistic and honest choice.

Let us give the farmers of America an honest choice between an unsupported market on the one hand, and price supports with meaningful production controls on the other.

If the latter program is adopted, it is my considered opinion that not only the large farms but also the efficient family size farms, will be able to live and prosper in the American tradition.

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have been intrigued by the reference to 2.6 billion bushels of corn on hand, as if that were a terrible calamity. I understand that figure was as of the 1st of April.

Mr. President, we utilized corn at the rate of 3.8 billion bushels last year, or 320 million bushels per month. There are 5 months before the new corn crop will come in. By the 1st of October there will probably be a billion bushels of corn left on hand, which will represent a 3 months' supply.

I say to Senators, "For Heaven's sake, do not take chances with the security of this country by cutting our feed grain supply below a 3 months' supply or our wheat supply below a year's supply. It would be a terrible thing to reduce the food supply of this country below a safe level.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. EASTLAND. I will need only 1 minute.

Mr. DIRKSEN. Mr. President, I yield the Senator 1 minute.

Mr. EASTLAND. Mr. President, the statement that the amendment would promote corporate farming is a fantasy. The amendment would not do any such thing. It would give to every farmer in the United States, without cost to the Government of the United States, the right to grow feed for his own livestock on his own farm. Senators have been conjuring up ghosts.

My distinguished friend from Louisiana has criticized the corn growers. Statements have been made about people living off the Treasury. Nothing like that is involved in the amendment, because no price support is involved. The

feed grains will be grown for consumption without price supports.

Is it not in the very best tradition of our country that a man may be permitted to grow on his own land that which is necessary for consumption by his own livestock and by his own family?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

Mr. LAUSCHE. Mr. President, will the Senator yield me some time?

Mr. DIRKSEN. Mr. President, I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. LAUSCHE. Mr. President, I am familiar with the provisions identified by the Senator from Louisiana concerning the discretionary power sought to be vested in the Secretary of Agriculture, to take such action as will conform to the solutions conceived for what are called deficit areas. I am familiar with that, but based upon what I have seen happen in the Government, I should like to get away from a reliance upon discretionary power of individuals and an abandonment of reliance upon law, immutable and clearly written.

Congress can continue to enact legislation abdicating the power of Congress and surrendering it to boards and departmental heads, but I am not willing to rest content with that type of government.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield.

Mr. EASTLAND. The statement has constantly been made that the U.S. Government will be picking up the check for price supports on feed grains. Under the proposed amendment how would it be possible for the U.S. Government to pick up any check?

Mr. LAUSCHE. I shall not answer that question directly. Since I have been in the Senate I have heard arguments made each year about the final solution of this problem. At the end of each year I have found that we were in worse condition than during the preceding year.

Mr. EASTLAND. Under the proposed amendment the cost to the Treasury would be nothing.

Mr. LAUSCHE. We had a conservation reserve program. Thirty million acres were acquired under it at a cost of \$11 per acre, in the form of annual payments.

Last year we passed a bill which was supposed to be the panacea. Under that bill it cost us \$31 an acre to take land out of production. For \$1 spent under the conservation reserve \$3 was spent under the bill passed last year.

Something has been said about the farmers being allowed to plant oats to feed cattle. I have heard the argument made that cattle need some solid foods, and that the mere allocation of the right to feed them with oats does not answer the question of providing a well rounded diet, under which the farmer could strengthen and fatten his cattle, and

thus procure for himself the greatest return.

I hold the Senator from Louisiana in the highest of esteem. I know of his concern about the expenditure of the taxpayers' money. I yield to no other Senator in the desire to lessen the tax burden on the people of this country. I contemplate fighting for that principle so long as I have any power. There are other aspects of our responsibility which are of equal importance, however.

I come back to the proposition that it is sought to put a harness and shackles upon the little farmer of my State.

I will not stand for it. I will not subscribe to it. I will vote against the amendment, and finally against the bill.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Mississippi [Mr. EASTLAND] to the so-called Ellender amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from New Mexico [Mr. CHAVEZ], are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG] and the Senator from Georgia [Mr. RUSSELL] would each vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Texas would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Wyoming [Mr. MCGEE] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from Wisconsin would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Connecticut [Mr. BUSH],

the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from California would vote "yea," and the Senator from South Carolina would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 40, nays 45, as follows:

[No. 59 Leg.]

YEAS—40

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Anderson	Eastland	Murphy
Beall	Fong	Pearson
Bennett	Hickenlooper	Prouty
Boggs	Holland	Proxmire
Byrd, Va.	Hruska	Saltonstall
Capehart	Javits	Scott
Carlson	Keating	Smith, Maine
Case, N.J.	Kerr	Stennis
Case, S. Dak.	Lausche	Thurmond
Cooper	McClellan	Williams, Del.
Cotton	Miller	
Curtis	Monroney	

NAYS—45

Bartlett	Hickey	Muskie
Bible	Hill	Neuberger
Burdick	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Jordan	Randolph
Church	Kefauver	Robertson
Clark	Long, Mo.	Smathers
Douglas	Long, Hawaii	Smith, Mass.
Ellender	Magnuson	Sparkman
Engle	Mansfield	Symington
Ervin	McCarthy	Talmadge
Gore	McNamara	Williams, N.J.
Hart	Metcalf	Yarborough
Hartke	Morse	Young, N. Dak.
Hayden	Moss	Young, Ohio

NOT VOTING—15

Bush	Fulbright	Long, La.
Butler	Goldwater	McGee
Carroll	Gruening	Russell
Chavez	Johnston	Tower
Dodd	Kuchel	Wiley

So Mr. EASTLAND's amendment to the amendment of Mr. ELLENDER was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which

the amendment to the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the senior Senator from New York.

Mr. JAVITS. Mr. President, I shall vote against the Ellender feed grain amendment because it is a permanent, mandatory marking quota program which will necessarily adversely affect dairy, livestock, and poultry farmers and those who are purchasers or users of feed grains. I emphasize the word "permanent," for that is why I also voted against the Ellender wheat amendment. There is a more rational solution to the problem of farm surplus, and we should not close the door on it by freezing ourselves into permanent programs of this sort. Perhaps it would be equitable to ask these farmers who purchase feed grain to accept the obvious disadvantages to them under the Ellender feed grain amendment if we could point to equivalent or offsetting advantages for them, either as farmers, as consumers, or as taxpayers. But I cannot see any real prospect of advantage to dairy, livestock, and poultry farmers in the Ellender amendment. On the contrary, I see positive economic disadvantage to them as farmers, for their feed costs will be fixed at a high level, even as other costs of farm production continue to mount; an increase of more than \$500 million in 1961, and yet, speaking particularly of dairy farmers, they are not offered the prospect of a penny more in the price of their product. As for benefit to these farmers, consumers, I have yet to hear any prediction that the price of milk or foodstuffs will be lowered as a result of this amendment. And, as for benefit to them as taxpayers, it is all well and good to speak of reducing surpluses and thereby storage costs, but I have yet to hear an actual estimate as to how much American taxpayers will realize in net savings by reason of a program which employs a compulsory program to reduce storage costs of certain feed grains on the one hand but increases other agricultural outlays on the other.

By opposing the Ellender amendment I do not wish to support by implication the present emergency feed grain program which was first enacted last year, for all its proponents claim for this emergency program is that it cut somewhat the costs of storage of some feed grains, while conceding that other storage costs have increased. In this connection, I agree with the distinguished Senior Senator from Vermont and ranking Republican members of the Agriculture Committee [Mr. AIKEN], when he made the following comment:

It has been said that had it not been for the program farmers would have produced 500 or 600 million bushels more feed grains. But those who made that statement forget that, according to a report showing the intention of farms to plant, issued by the Department of Agriculture in March 1961, even before the program was enacted, farmers had announced their intention to plant several million fewer acres of corn than they had planted the year before. So I do not think the argument holds water very well.

I do not think that program worked. Although we are providing for extending it for another year or two, it ought not to continue.

I predict, Mr. President, that before the end of 1962 we shall see sharp in-

creases in the price of feed grains, and it will be the dairy farmer, and other purchasers of feed grains, who will pay that price. This is too much to ask of an already hard-hit segment of our agricultural economy.

HEALTH CARE PROPOSALS FOR THE AGING

Mr. JAVITS. Mr. President, interest in the issue of health care for the aging has resulted in valuable legislative proposals being put before both bodies of

COMPARISON OF MAJOR HEALTH CARE INSURANCE PROPOSALS FOR THE AGING, 1962

KERR-MILLS PROGRAM (PUBLIC LAW 86-778)

Coverage: Approximately 10 million persons over 65 might meet the eligibility requirements. The number actually affected will depend upon the number of States participating, and the eligibility standards formulated by such States. (S. Rept. 1856, 86th Cong.)¹

How many benefit: Each State could formulate its own eligibility standards within the State plan, except that benefits must be provided for residents of the State who:

- (1) have attained age 65, and
- (2) are not recipients of old-age assistance, but whose income and resources are insufficient to meet the cost of the medical services listed below.

Persons under age 65 or persons receiving old-age assistance could not be made eligible under the State plan. The State plan may not require an enrollment fee as a condition of eligibility or impose a lien on the property of a beneficiary during his life or that of his surviving spouse.

Benefits: The State plan for medical assistance for the aged may specify medical services of any scope and duration, provided that both institutional and noninstitutional services are included. The Federal Government would share in the expense of providing the following kinds of medical services:

- (1) inpatient hospital services;
- (2) skilled nursing home services;
- (3) outpatient hospital or clinic services;
- (4) physicians' services;
- (5) home health care services;
- (6) private duty nursing services;
- (7) physical therapy and related services;
- (8) dental services;
- (9) laboratory and X-ray services;
- (10) prescribed drugs, eyeglasses, dentures, and prosthetic devices;
- (11) diagnostic, screening, and preventive services; and,
- (12) any other medical care or remedial care recognized under State law.

ADMINISTRATION BILL (87TH CONG.), S. 909 (SENATOR ANDERSON AND OTHERS), H.R. 4222 (REPRESENTATIVE KING)

(As of January 1963, see effective dates below)

	Million
OASI eligibles.....	41.4
Railroad Retirement eligibles.....	.6
Total.....	15.0

All persons would be eligible for medical benefits who—

- (1) are age 65 or over; and
- (2) are eligible to receive social security or railroad retirement benefits.

Benefits would consist of payments to medical facilities for services rendered to eligible individuals. Such payments may be made for the following kinds of services:

- (1) inpatient care—90 days per benefit,¹ subject to a deductible of \$10 per day for the first nine days, but not less than \$20; plus,
- (2) skilled nursing home care after transfer from a hospital—120 days per benefit period plus an extra two days of nursing home care for each unused day of hospital care, total nursing home care for each benefit period not to exceed 180 days²; plus,
- (3) home health services—240 visits per calendar year; plus,
- (4) outpatient diagnostic services—no duration limit, but subject to a deductible of \$20 per diagnostic study.

Effective Dates

- Inpatient hospital services: October 1, 1962.
 Outpatient diagnostic services: October 1, 1962.
 Home health services: October 1, 1962.
 Nursing home services: July 1, 1963.

JAVITS BILL (S. 2664)

All persons 65 and over who meet the retirement qualifications¹ and who are not beneficiaries of medical care under old-age assistance or other Federal assistance medical programs.

12.3 million (as of 1963) estimated out of total age population of 16 million (est.)

Eligible individuals may choose one of three optional programs; (1) preventive, diagnostic and short-term illness benefits with specified services; (2) long-term illness benefits with specified services; (3) private insurance benefits, under which the cost of a private insurance plan, up to a maximum of \$100 per year, is paid for. Benefits specified under the preventive short-term care plan; (1) 21 days of hospital care; (2) 63 days of nursing care less any days of hospitalization at a ratio of 3 nursing home days per hospital day; (3) physicians service for 12 days; (4) first \$100 of costs for ambulatory diagnostic, laboratory and X-ray services; and (5) 24 days of visiting nurse or other home health care services. Benefits specified per year under the catastrophic long-term or chronic illness plan—80 percent of the following costs, after payment of the first \$125 of medical expenses: (1) 120 days of hospital care; (2) surgical service, drugs and appliances, provided in a hospital; (3) 360 days of nursing home services less any days of hospitalization at a ratio of 3 nursing home days per hospital day; (4) full home health care services. Private Insurance benefits—payment to insurance carrier of premiums on a renewable private health insurance policy of which an eligible individual is beneficiary, up to \$100 per year.

A PROVED BREED OF WATCHDOGS IS AVAILABLE

Mr. PELL. Mr. President, I ask unanimous consent to insert in the body of the RECORD an excellent column by Arthur Krock in today's New York Times, concerning the desirability of a joint congressional watchdog committee to supervise the Central Intelligence Agency.

A year ago, there was a general consensus that intelligence collection and covert operations should be separated. Yet, today, they remain under one and the same roof. And that roof, incidentally, is a pretty large one, since it covers an establishment containing 5,700 windows. I continue to hope in this connection, that hearings may soon be held on Senator McCARTHY's Senate Joint Resolution 77, which seeks the creation of a committee along the lines so well and ably advanced by Mr. Krock.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

A PROVED BREED OF WATCHDOGS IS AVAILABLE (By Arthur Krock)

WASHINGTON, May 23.—The recent crop of critical books and articles on covert operations of the Central Intelligence Agency, principally with respect to the U-2 flight, which was downed in Soviet Russia, and the invasion of Cuba, which was repulsed by Premier Castro, has nourished proposals for a congressional watchdog committee of the CIA. Its new Director, John A. McCone, who took office, after these events, has already told Congress he has no objection to the establishment of this committee, having worked very well with one when he was Chairman of the Atomic Energy Commission.

Presumably, therefore, unless President Kennedy should object to a CIA watchdog group of Congress, and if the formula of its selection were also satisfactory to the President and to Director McCone, there would be no insurmountable administration obstacles if Congress chose to create this new special committee. And one formula of its selection that is being discussed seems well suited to the basic requirements of the two branches of the Federal Government involved.

Under this formula the House and the Senate would each supply a watchdog committee of nine members. The two would act separately in general and jointly when this was found desirable by both. The House group would be composed of the chairmen of the Committees on Foreign Affairs, Armed Services, and Appropriations, the ranking majority members of these three and the ranking minority members. The Senate group would be formed of the chairmen of Foreign Relations, Armed Services, and Appropriations, plus the ranking majority and ranking minority members. This, as in the case of the joint committee that watchdogs the AEC, would give control to the party majority in each branch, which currently is Democratic.

The product of this formula, in the present makeup of these committees, would be two groups of the highest caliber and seniority in Congress, with memberships of proved discretion and great influence. In the nature of the assignment, these legislators would be restrained from passing on secret information to the other members of the committees from which they were recruited. But when these parent committees were dealing with matters in which CIA activities were involved, they would have authoritative guidance now denied them. The beneficial effects of this on major legislation are obvious.

THE PERSONNEL

If the nine-member groups were chosen on the formula under discussion, only two members would encounter a problem of choice growing out of their present committee assignments. These two are Senators RUSSELL of Georgia and SALTONSTALL of Massachusetts. RUSSELL, being currently chairman of Armed Services and ranking majority member of Appropriations, would have a double eligibility of service on the CIA watchdog committee. So would SALTONSTALL, because he is the ranking minority member on both Appropriations and Armed Services.

The indicated solution would be for Senators BYRD, of Virginia, and STENNIS, of Mississippi, who rank after RUSSELL on Armed Services, to become its two majority members on the watchdog group. And SALTONSTALL's choice would be between his two ranking minority memberships, making room thereby for either Senator YOUNG, of North Dakota, or Senator SMITH, of Maine.

The watchdog committees would then be composed of the following: (House) Chairman CANNON, Representatives MAHON and TABER, from Appropriations; Chairman VINSON, Representatives RIVERS and ARENDT, from Armed Services; and Chairman MORGAN, Representatives ZABLOCKI and CHIPERFIELD, from Foreign Affairs. (Senate) Chairman HAYDEN, Senator RUSSELL, and either Senator SALTONSTALL or YOUNG, from Appropriations; Senators BYRD, STENNIS, and either Senator SALTONSTALL or SMITH, from Armed Services; and Chairman FULBRIGHT, Senators SHARPMAN and WILEY, from Foreign Relations.

Either Senate combination, and the House group which encounters no similar problem of selection, would provide two CIA watchdog committees of exceptional quality. And the sense of "mission" that the creation of such committees imparts would be a shield against unfounded criticism that CIA greatly needs, and a filter of the information Congress should have in the public interest.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MAGNUSON. Mr. President, I offer an amendment, but I am willing to withdraw it to save time.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. MAGNUSON. My amendment proposes on page 27, line 9, after the period, to insert the following:

The term "feed grain" shall also include rye in areas designated by the Secretary.

For the purpose of the RECORD, I wish to ask the Senator from Louisiana a question with regard to this situation. Farmers and producers in my area have suggested to me that the amendment be included in the bill because, they say, due to climatic conditions and the necessity for soil conservation in certain dryland wheat pro-

duction areas, it has been necessary to plant rye in lieu of barley, in recent years. They suggest that unless the language in the proposed law is amended, producers who planted rye during the 1959 and 1960 base years will be denied a feed grain base, while their neighbor, who was able to plant barley, would have established a feed grain base in that program.

In my State there are many producers who, because of their desire to follow soil conservation practices, have been planting rye. Those farmers desire to participate in the feed grain program to the greatest extent possible; and they believe that unless the amendment is adopted they will be denied that privilege.

In other words, I suspect they can, if they have been planting rye when it has been necessary due to the conditions which existed in 1959 and 1960. They could not shift back and participate by planting barley. The situation poses an inequitable problem. Apparently because of the dryland areas, in some years rye has been a better crop.

Mr. ELLENDER. The amendment now before the Senate covers corn, barley, and grain sorghums; that is all. Rye is excluded, so farmers can plant all the rye they desire.

Mr. MAGNUSON. What they are getting at—and there was a conference on the subject—is that if they had planted rye during the 1959 and 1960 base years, and then desired to plant barley, so as to participate in the feed grain program, they would be denied the right to make that shift because they had been planting rye. But they planted rye instead of barley only because of the climatic and soil conditions.

I suppose that what they are contending is that they cannot shift from one grain to the other, because barley is included in the program and rye is not. They can continue to plant rye.

Mr. ELLENDER. That is true. That is why I say I do not quite understand the purpose of the amendment.

Mr. MAGNUSON. They can continue to plant rye and qualify under the base period.

Mr. ELLENDER. But so far as the production of rye is concerned, there is no limitation; a farmer can plant all the rye he wishes.

Mr. MAGNUSON. If they had been planting rye during the base period 1959 and 1960, as many farmers did, and wanted to get into the feed grain program and limit themselves to planting barley, they would have no base.

Mr. ELLENDER. That is right if they did not plant barley, corn, or sorghum in the base period.

Mr. MAGNUSON. That is correct; but it was necessary for them to plant rye instead of barley due to climatic conditions in those particular years.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Rye was considered to come under the feed grain base, was it not? Rye was considered to be a feed grain in the 1959 and 1960 period.

Mr. ELLENDER. No; rye is not included in my amendment. In the orig-

inal administration bill it was included at the discretion of the Secretary.

Mr. HUMPHREY. As a feed grain?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. Might it not be, then, that the acreage which was planted in rye could be considered for the purpose of feed grain allotments, which are now included in the bill as grain sorghums? Rye acreage would have been included in the 1959-60 base.

Mr. ELLENDER. Under the original administration proposal it could.

Mr. MAGNUSON. The rye farmers could come into the program. I think they want to get into the program.

Mr. HUMPHREY. They want to make certain that they are not excluded from the base of 1959-60. They had 50 acres of rye, which was considered as a feed grain under the discretionary authority of the Secretary. They want to make certain that the 50 acres are not denied them for purposes of corn, barley, and grain sorghums, which come under the feed grain category in the bill.

Mr. MAGNUSON. I feel certain the committee wants to handle this problem fairly, so I withdraw the amendment. I understand this proposal is covered in the House bill.

Mr. ELLENDER. It is included in the House bill.

Mr. MAGNUSON. It will not be in the Senate bill. This question can be taken up for consideration in conference.

Mr. ELLENDER. That is correct.

Mr. MAGNUSON. On the basis that the Senator from Louisiana says that there is language in the House bill which includes rye, and that if it is kept out of the Senate bill, it will be possible to go to conference and arrive at an arrangement so that equity will be done in this particular instance.

Mr. MCCARTHY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MCCARTHY. There is a problem, since it is not possible under the act to produce rye on converted acres. I am certain the chairman will work on this problem in conference, so that there will not be a situation in which rye acres will be counted as a base and the farmer will be paid for taking his acres out of production, and then will switch around, because the act provides that rye may be grown on converted acres. I am sure the chairman will arrive at a proper adjustment.

Mr. MAGNUSON. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from Washington withdraws his amendment.

Mr. MILLER. Mr. President, I have at the desk amendments to the Ellender amendment which I ask to have read.

The PRESIDING OFFICER. The amendments to the amendments will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the Ellender amendment as follows:

Strike the word "hardship" in line 23 on page 24 and insert in lieu thereof the following: "an average loss of 20 percent gross income".

Strike the word "unduly" in line 24 on page 24 and insert following the word "increase" the following: "by 25 percent".

Insert following the word "area" on line 1 page 25 the following: "based on 1959-1960 operations".

The PRESIDING OFFICER. Does the Senator from Iowa desire that his amendments be considered en bloc?

Mr. MILLER. Yes.

Mr. President, first I yield half a minute to the Senator from New Jersey, and then I will yield 2 minutes to the Senator from South Dakota. I ask unanimous consent that their remarks follow the action on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, I read the following language at the end of page 3 of the amendments intended to be proposed by the Senator from Louisiana, and I shall then ask a question. Beginning on line 16, the language reads:

The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in his act.

Does the distinguished chairman of the committee feel that by that declaration in the legislative findings it is made constitutional for the Federal Government to regulate and control feed grains which do not move outside the State and do not enter into interstate commerce directly? In other words, does the chairman believe that that kind of declaration in legislative findings makes grain which is wholly consumed, wholly used, and wholly handled within a State come under the commerce clause of the Constitution and make such locally used and locally handled grain interstate commerce?

Mr. ELLENDER. This provision is in the existing law.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. MILLER. Mr. President, I yield myself another minute.

Mr. ELLENDER. I presume that cattle, which eat feed wholly within the State, could then be moved into commerce.

Mr. CASE of South Dakota. But suppose the cattle are butchered locally. Suppose they are butchered on the farm and the meat used on the farm. Or suppose the cattle are butchered in a local shop or packing plant.

Mr. ELLENDER. We have been operating under the same language and getting along with it for quite awhile. It is merely a declaration of policy.

Mr. CASE of South Dakota. It is a legislative finding. Moreover, in my

State there has been some problem with respect to elevators which are locally owned and are not members of any chain. The operators have even wondered whether they should be under regulations of the Interstate Commerce Commission.

Mr. ELLENDER. As I have just now stated, the identical language was included in the 1938 act.

Mr. CASE of South Dakota. The identical language?

Mr. ELLENDER. Yes; this is copied from the 1938 act.

Mr. CASE of South Dakota. The 1938 act did not provide for control of feed grains from a mandatory point of view, however.

Mr. ELLENDER. No; but it provided for supports, and it provided marketing quotas. But, unfortunately, they were never put into effect.

Mr. CASE of South Dakota. But the farmer could sign up or could stay out, as he chose.

Mr. ELLENDER. Yes, since quotas were never proclaimed.

Mr. CASE of South Dakota. However, in this case, if quotas are voted by two-thirds of the eligible farmers, the quotas will be applicable to all farms, regardless of whether the farmers have signed up.

Mr. ELLENDER. I may say similar language applied not only to corn and feed grains but also to all the commodities covered by the 1938 act—which were five in number: Corn, wheat, cotton, tobacco, and peanuts.

Mr. CASE of South Dakota. But the problem arises because if such blanket coverage is voted by two-thirds of the farmers, all farmers will be subjected to the restrictions.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MILLER. Mr. President, my amendment has to do with the deficit-area provisions on page 24 of the Ellender amendment. Under that amendment it is provided that this law will not apply to deficit areas; and the application is to be determined by the Secretary of Agriculture as follows: First, that the application of the provisions of this act would result in hardship to producers. However, the bill does not establish any guidelines in connection with the Secretary's determination of what "hardship" means. It seems to me we ought to define "hardship" and ought to state what it means. It seems to me that Congress should lay down the necessary guidelines in that connection; and I believe that a fair test of "hardship" would be what my amendment proposes—namely, an average loss of 25 percent of gross income.

Then the Ellender amendment reads: "To producers in such area would unduly increase the price of feed," but there is no guideline as to what "unduly" means.

It seems to me it is for Congress, not for the Secretary of Agriculture, to determine that. So my amendment provides that a 25-percent increase in the price of feed grains would be "undue."

Finally, the Ellender amendment reads: "and would disrupt normal farming practices in such area."

But, again, no one knows what "normal farming practices" are. Therefore, my amendment would require that determination to be based on 1959-60 operations.

I believe my amendment is fair. It takes from the Secretary of Agriculture unlimited discretion.

Last evening we had a colloquy between the distinguished Senator from North Carolina, the distinguished Senator from Minnesota [Mr. HUMPHREY], and myself; and in that colloquy it seemed to be the feeling that some guidelines should be set forth, to cover this provision of the Ellender amendment.

Mr. ELLENDER. When would the loss to which the Senator has referred—"an average loss of 25 percent of gross income"—occur? Would it be an anticipated loss?

Mr. MILLER. It could be anticipated. But how else could the Secretary of Agriculture determine what "hardship" would be?

Mr. ELLENDER. The purpose of this part of the amendment is to allow the Secretary of Agriculture to have the privilege of deciding, as to an area which he would describe, whether there was a deficit of feed grains. This provision would give him the right to deal with that, and of course that would be left to his discretion.

It is my belief that he could better determine that under the circumstances existing at the time, instead of our trying to tie him down by means of guidelines such as the ones the Senator from Iowa is now proposing.

How could the Secretary of Agriculture figure that out? It would certainly require a guess on his part, if he were instructed to determine whether the gross income of the farmer would be decreased by 25 percent.

Mr. MILLER. Let me suggest to the Senator, who is so much concerned about all the surpluses, that this part of his amendment opens up a gap as wide as a tunnel, for the Secretary of Agriculture to determine the purposes of the Senator's amendment. All I am trying to do is tie it down, so the purposes of his amendment cannot be defeated.

The Senator from Louisiana says the Secretary of Agriculture would make a guess, under the amendment I have submitted. But what kind of guess does the Senator from Louisiana think the word "hardship" would require the Secretary of Agriculture to make?

This amendment will define the word "hardship"; and I should think the Secretary of Agriculture would prefer to have a little guidance in that connection.

Furthermore, the provision in regard to the 25 percent provides some definition of the word "undue." When words such as "hardship" and "undue" are used, they are meaningless unless some provision for their definition is made.

I should like to have the Senator take my amendment to conference and see what can be done there. Perhaps the percentage set forth in the amendment

is high; but certainly I believe some such guideline should be established.

Mr. ELLENDER. Well, I would have no hesitation about taking the amendment to conference.

But I return to the proposition that the Secretary of Agriculture would have to peer into the future quite some distance, in order to find out whether the average loss of gross income would be 25 percent. I wonder how he could determine that. It would require a big guess.

Mr. MILLER. But the Secretary of Agriculture is dipping into the future all the time.

Mr. ELLENDER. However, I am willing to take the amendment to conference; and it may be that the conferees can draw up additional guidelines, in order to do what the Senator from Iowa seeks to have done.

Mr. MILLER. Then may I offer my amendment with the understanding that the Senator from Louisiana will not object to it?

Mr. ELLENDER. I understood that the Senator from Iowa had already offered the amendment.

The PRESIDING OFFICER. That is correct; the pending question is on agreeing to the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, I yield back the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. MILLER. Mr. President, I offer my last amendment, and ask that it be stated. I now send it to the desk.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the Ellender amendment by striking out lines 11 through 25, on page 12; and by striking out lines 1 through 3, on page 13.

The PRESIDING OFFICER. Without objection, these amendments will be considered en bloc.

Mr. ELLENDER. Mr. President, none of these amendments has been printed; so it is rather difficult to keep up with them.

Mr. MILLER. Mr. President, let me address myself to my amendment.

First, I wish to apologize to the Senator from Louisiana for not having this amendment printed. However, I wish to point out that not until the Eastland amendment was rejected did I know whether this amendment should be offered.

My amendment simply removes from the bill the exemptions for the small farmers. I realize that a great deal of emotion can be attached to the small farms of 25 acres or less; but I invite the attention of the Senate to the fact that there are approximately 300,000 or 400,000 of these small farms; and if the Senator from Louisiana is genuinely interested in reducing the surpluses, I suggest to him that the quota and the allot-

ment should be applied across the board, because if an exemption is made of the 300,000 or 400,000 small farms, the cutback in production and the cutback in the surpluses which are sought by the Ellender amendment will not be attained.

Mr. HICKENLOOPER. Mr. President, will my colleague yield to me?

Mr. MILLER. Of course.

Mr. HICKENLOOPER. I merely wish to say that I commend my colleague for offering this amendment. It is thoroughly and utterly practical. It is the way to attain such reduction, if Senators want it attained.

The exemption contained in the Ellender amendment would go far toward defeating the very purpose the sponsors of the Ellender amendment claim they seek to attain.

If we wish to have a reduction made, let us eliminate the exemptions and let us have the requirements of the bill apply across the board to the entire field of agriculture. Let us see whether we want to reduce production in this country or whether we prefer to have the bill apply to a special area or to make possible a special discretionary operation by the Secretary of Agriculture.

Let us meet the issue head on. Let us meet the issue squarely. My colleague's amendment will do just that, and that is the issue in his amendment. He has an excellent amendment. It is in keeping with the announced purpose of many Senators in connection with this bill and amendment. I think it is a square issue. I congratulate him for offering the amendment. I shall certainly support it.

Mr. MILLER. I thank the Senator from Iowa.

Mr. President, I reserve the remainder of my time.

Mr. ELLENDER. Mr. President, I am, of course, against this amendment. We have tried to protect the small farmers to the best of our ability. The 25-acre provision means that the farmer must have a base up to 25 acres if he is to obtain an exemption. It does not work in the same manner as the wheat exemption worked, under which a 15-acre exemption was given to the farmer, whether he had a history or not. In order for a farmer to be able to obtain an exemption of as many as 25 acres, he will have to show that his base acreage was up to 25 acres. It cannot be in excess of that amount.

As I have argued for quite a while with my good friend, the Senator from Ohio, we are trying to protect the small farmer and trying to make it possible for him to grow at least as much feed on his farm, as he did in the past.

I do not agree to support the amendment. I ask the Senate to vote down the amendment.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Does the Senator realize that, granted that a historical base must be shown under his amendment, we are talking about 250,000 or 300,000 small farms?

Mr. ELLENDER. I think the Senator should be talking about almost 1 million

farms throughout the country. I pointed out yesterday that the number of farms throughout the country producing 25 acres or less of feed grains was 1,204,532, and not the 600,000 figure to which the Senator has referred.

Mr. MILLER. May I ask the Senator how many of those are feed grain producers?

Mr. ELLENDER. I understand they are grain producers on the basis of 25 acres or less.

Mr. MILLER. If the figure is over 1 million, instead of 250,000 the Senator from Iowa is even more reinforced in what he has said. I cannot understand how the Senator from Louisiana can express such concern over the glut and surpluses that we have and at the same time in his amendment provide for an avalanche of exemptions. One million small farms are proposed to be exempted from the acreage and market allocations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I am somewhat intrigued by the argument of the Senator from Iowa, because only a short time ago he was trying to exempt all farms in America that produced feed grains—big, little, or medium.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLER. I want us to be consistent. Either we ought to exempt them all, as the Eastland amendment would have done, or we ought to exempt none, as the Miller amendment would provide.

Mr. HUMPHREY. That is simple logic, but not very convincing or sound. What the Senator from Louisiana is proposing is that every consideration be given to the very small producer and the small farmer by establishing a feed grain basis in the crop years 1959 and 1960.

What are the reasons for it? One of the reasons is administrative, because of the vast number of farms involved. Another is simple equity and social justice for the small farmer himself.

I suggest that the idea of saying that, if one is exempted, all ought to be exempted has very little relevancy in the application of any rule in any area of human activity. For example, we have provided that if a person does not make over \$600 a year, he not have to pay an income tax. So what the Senator from Iowa is saying is that if a person not making over \$600 a year is exempted from paying an income tax, all persons should be exempted.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MILLER. On that point, the Congress has said, as the Senator well knows, that everybody gets a \$600 exemption. It is an across-the-board provision. I submit that is a perfect analogy for what we are trying to do. This is an across-the-board provision. If we do not make it that way, it will literally destroy the objective of the Senator from Louisiana. I think the Senator has made my case when he

points out that there are 1 million small farms.

Mr. ELLENDER. I point out that these exemptions merely give farmers the opportunity of planting grain, but they do not get price supports. They can plant grain, and I presume they will feed it on the farm, but under no conditions are such farmers to obtain price supports unless they are willing to cut their acreage in the same percentage that the larger farmers' acreage would be cut by the Secretary. Only in that case could such farmers get the protection that the larger farmers received who had to reduce production.

In other words, if the farmer has a base of 25 acres or less, he can plant as he has planted in the past, without price supports; but if he desires to get under the program, and if he wants to vote on the program, he can take the cut, enter into the program, and obtain price supports and payments, and vote on the program.

Mr. MILLER. That is a valid point, but the only difficulty is that it is not the whole story. The Senator well knows that those farmers are not interested in price supports on small acreage. As the Senator pointed out, most of it is fed. It does not make any difference where the feed grains are, whether they are in the bin, on the farm, or in the bellies of livestock. If they are in the total crop on hand, that is what counts, and it is the glut of the market that can result from exempting these 1 million farmers that will destroy the Ellender amendment.

I yield back my time.

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. All time on the amendment is yielded back. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER] to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the Ellender amendment as amended. The yeas and nays have been ordered, and the clerk will call the roll—

Mr. AIKEN. Mr. President, I want to yield some time on the bill. First, I yield 5 minutes to the senior Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. AIKEN. And then I wish to yield to one more Senator.

Mr. HICKENLOOPER. Mr. President, I shall be very brief. I think the step that is being proposed in the amendment now being considered can well be, if it becomes law, the death blow to free American agriculture. It is a bill that places complete control over the agriculture economy of this country, over the latitude and freedom of the farmer, in the hands of the Secretary of Agriculture, subject to his whimsical operations. Not only is it a bill with general control, but if the Senate accepts the amendment proposed by the Senator from Louisiana, so far as price, acreage allocations, marketing controls, and

penalties are concerned, it is as full of discretionary authority.

The amendment is a complete control amendment. Make no mistake about it, it is the most rigid and far-reaching proposal to subject what has always been the great bastion of freedom in our American economy—agriculture—to controls, to dictation, and to stifling.

If the amendment goes onto the statute books, we shall find that though agriculture may have a certain amount of freedom, it will not be freedom as a matter of right, but freedom only to such a degree as the grace of the Secretary of Agriculture sees fit to grant. That is what will occur, and make no mistake about it.

What has been proposed? A bitter choice has been proposed. A shotgun has been placed at the head of the feed grain producers in this country, with the statement, "You will either take what we put on you, when we saddle full controls over all producers, by voting in favor of it by two-thirds; or, if you do not, we threaten you with economic disaster by destroying supports, by destroying the program, by dumping 10 million tons of feed grains on the market at approximately the support price."

The farmer is not to be given a choice, except the bitter choice between practical slavery or extinction. That is approximately the choice he would have under the amendment. He would not be given a choice as to whether to take the program which is proposed or to accept a substantial land retirement program. That provision could not be driven into the proposal with a mallet. The farmer would be given a choice as to whether he would support a voluntary substantial land retirement program, and be otherwise free to operate the farm, or the present proposal.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. AIKEN. Mr. President, I yield 2 more minutes to the Senator from Iowa.

Mr. HICKENLOOPER. In addition, the amendment, involving discretionary power and responsibility in the Department of Agriculture, would make it possible to go into every farm and on to every acre of every farm in the feed producing area, and would produce a new horde of government employees in the Department of Agriculture, much like the locusts, which, it is said, will increase this year in Washington and on the eastern seaboard.

There will be a great new expansion of bureaucracy. Government agents will be in the feed lots, in the corn fields, in the bean fields, and in the sorghum fields of every farmer of America. Government agents will be looking over the shoulders of the farmers, to see what they plant, where they plant it, and how much they get for it, and to measure their land as never before. That is what will happen.

Then there will be penalties. If two-thirds of the farmers should vote for this program, under compulsion and under the threat of economic ruin if they do not take it, even though they do not really want it but have no real choice,

what will happen? Penalties will be assessed, if by inadvertence a farmer should exceed the allotment.

The penalties go even further, in what is quite an innovation. Anybody who purchases feed grains from anybody who has violated the allotment will also be stuck for the penalty under the penal provisions. Who will be able to buy from a farmer, unless he suffers the hazard that the farmer from whom he buys may have violated the provisions of the law or the regulations of the Secretary? If that farmer has violated them, the one who buys from him had better look out, because he can be assessed penalties.

The PRESIDING OFFICER. The Senator's time has again expired.

Mr. HICKENLOOPER. May I have 1 more minute, please?

Mr. AIKEN. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. HICKENLOOPER. If the amendment goes into effect I doubt that the free farmers of America will accept the program by a two-thirds vote. Secondly, if the farmers feel bludgeoned into accepting it, by compulsion, because the only other alternative is economic depression if it is enforced, it will be a sorry day for freedom, liberty, and opportunity of agriculture in this country.

I thank the Senator from Vermont.

Mr. AIKEN. Mr. President, I yield 10 minutes to the senior Senator from Florida [Mr. HOLLAND] from the time on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, I thank the Senator from Vermont.

We have heard a great deal of talk about the tender feelings of Senators for the small farmer. I remember that the Senate voted down an amendment, by a vote of 45 to 40—three changed votes would have changed the result—which would have permitted the farmer to raise grains on his farm to operate the farm. This applied mostly to the small farmer. This Senate voted down that amendment.

Before I speak about the feed grains amendment I wish to invite attention to another remarkable act of tenderness toward the small farmers. The bill before the Senate would knock out a provision of law which has been in existence for a long time, granting a 30-acre exemption to wheat farmers under section 335(f) of the existing law. There is a complete exemption of 30 acres, under the following provision:

(1) This condition shall not apply to farms operated by and as a part of State or county institutions or religious eleemosynary institutions;

(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services.

There has not been a realization during the course of this debate that the 30-acre exemption is to be eliminated, but it is to be eliminated. I want the farmers to know that the Senate, if it votes for the measure before the Senate—and I hope it will not—will be voting to destroy a very precious right

which poultry farmers all over the Nation have asked for and have received in earlier years, and have enjoyed for many years. This is the right to produce up to 30 acres of wheat for the purpose of feeding their poultry, their own people, and their children living on the farms.

That provision is to be eliminated from the law, under the terms of the bill.

Next I wish to speak of the feed-grains provision. The chief vice in this provision is that it does not recognize the laws of nature in the feed-grain business, under which all States do not have a surplus and all areas do not have a surplus.

To the contrary, many States and many areas which are substantial producers of livestock, of dairy products, of poultry, and the like, do not raise enough feed for their own use; yet those areas and States would be required, under the provisions of the bill before the Senate, to take the same cut which is provided against the heavy commercial areas.

I shall consider the deficit area provision in a moment, if I may. That is the only thing which might prevent such a result; and it will not prevent it. I shall discuss that point in a moment.

Mr. President, my own State is a very great deficit area. We produce tens of thousands of livestock each year, tens of thousands of hogs, poultry in immense quantities, and milk in vast quantities. We raise sizable quantities of grain, and we are trying to raise more, because we are the most remote State in the Union from the heavy producing areas of feed grains. Therefore, we have to pay more for feed grains than any other producers in any other State have to pay, except perhaps those in New England.

Mr. President, the facts are very clearly shown. I have the record of the Department of Agriculture, which shows that in my State production has been heavy. For example, in the 1961 crop, there were 9.6 million bushels of corn, of which only 150,000 was even put under loan—about 1½ percent. My belief is that none entered into the Government surplus.

The year before that the quantity was 8.9 million, with about 1½ percent placed under loan, or 139,000 bushels. Either none or an infinitesimally small amount went into Government surplus. We have been producing corn because we need it. We need it for our own livestock and our own needs. We would be discriminated against if we were prevented from producing it. Why? Because we are a long way from the fertile fields of Iowa, Illinois, and other places where feed grains are produced in large amounts. We would be required to pay higher transportation costs. Our dairy farmers, poultry farmers, livestock farmers, and hog farmers all have a definite stake in being allowed to raise that which they need and have been raising, and with which we have been building a great industry down in our State. Shall we be permitted to continue to build that industry? The Senate, if it

adopts the feed grain amendment, would say "No." It would not permit the continuation of that effort to take care of our own needs and feed our own stock, without imposing on the Federal Government under any price-support program or in any other way.

Let us get back to the deficit area provision, which I promised to talk about. The deficit area provision in the amendment is nothing but a carrot on a stick, because it does not mean a thing in the world. It provides:

DEFICIT AREAS

SEC. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and—

This is the real meat in the coconut—

(2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm.

We all know perfectly well that when we consider all the States that are deficit areas, we have a clear showing that all the New England States are deficit areas. Many of the States along the seaboard are deficit areas. All the States of the Southeast are deficit areas. When we realize that such is the case, we know perfectly well that the Secretary, even if he were completely partial to the idea of exempting areas which were deficit areas, could never find that the exception provided for by the section would not impair the effective operation of the act, because it would impair it.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HICKENLOOPER. I know that the Senator's time is limited. I should like to ask the Senator if he agrees that marketing quotas in feed grain areas have never worked and never will because of the nature of the operation—the raising of the feed and the feeding on the farm.

Mr. HOLLAND. I do agree. Some people see no difference between feed grains which are fed—85 percent of them—either on the farm where they are produced, or nearby, and do not enter into the commercial handling of grains, and, on the other hand, tobacco, cotton, or rice, which certainly are not consumed on the farm. It is idle to put them in the same category because they are not. Mr. President, when we talk that way, we have our tongues in our cheeks, because we know perfectly well that the feed grains are consumed, in the main, on the farms where they are produced or in the nearby areas.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for one more question?

Mr. HOLLAND. I yield.

Mr. HICKENLOOPER. Will the Senator confirm the fact that the amendment, in effect, though it has been very slightly modified, was rejected by the Committee on Agriculture and Forestry after the committee heard the evidence and the facts?

Mr. HOLLAND. The Senator refers to the entire feed grains provision.

Mr. HICKENLOOPER. The feed grains provision.

Mr. HOLLAND. The feed grain amendment was rejected. In my judgment the bill could not have been reported if the amendment had not been rejected. It was rejected because of the great difference between feed grains and other great crops, and because of the differences in various areas of the Nation in connection with feed grain production.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. I preface my question with the statement that Ohio produces in feed grains about what it consumes. It is not a deficit production State from the standpoint of feed grains. If the Secretary of Agriculture should determine that he will grant special privileges, in his discretion, to the deficit States—and I am thinking of the New England States, Florida, and similar States—how could he ever come to the conclusion that the granting of such exemptions would not impair the efficiency of the general program?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. I yield another 3 minutes to the Senator from Florida.

Mr. HOLLAND. The Secretary could not possibly come to that conclusion. That is exactly the point which I am making. If Senators will turn to page 9 of the report of the committee, they will find a clear picture of what happens in deficit States. The first six States listed are the New England States, in each of which there is a deficit. Under the last voluntary program, they hardly accepted at all the opportunity to divert acres and take them out of production. Why? Because they needed every bushel they could produce. The highest diversion of the six States that did divert was only 4.1 percent of its farms. The lowest was New Hampshire, which did not divert acreage on any of its farms. The State of Vermont, which is well represented here by the senior Senator from Vermont [Mr. AIKEN], diverted acreage on 2.2 percent of its farms. In the State of Massachusetts 0.6 percent—less than 1 percent—of its farms showed any diversion. The State of Rhode Island showed 0.3 percent.

Mr. President, we can see what happens in any area in which there is a deficit. Farmers hold on dearly to the right to produce all they can. They did so even in the face of an offer of a large bonus for nonproduction which was made last year and is offered again this year.

Mr. President, in the case of the States in the Southeast, every one of them is well below the national average, which is 40.1 percent of the grain farm-

ers in the Nation. That is, a little over 40 percent of them diverted part of their acres. Every State in the Southeast is well below that figure. The States which diverted heavily are the heavy producing States, as Senators can see from the list, such as 70 percent, 60 percent, and various other large percentages of diversion, as shown in the list. I shall not call the names of the States.

Mr. President, is it proper to take away the right to produce what the people in a State need? I say it is not. Any law based upon such a premise is found to fall because any such law must have the approval and support of the people who depend upon the production which is affected by the law, and must commend itself in such a way that it will live and serve.

I hope that the amendment will be rejected, because if the amendment had been retained, the bill would have been prevented from reaching the floor of the Senate, in my judgment. It should be rejected now. After long study, the committee felt that it was a wrong thing for us to do. That is the reason that we took the action that we did in the committee. I hope the Senate will reject the feed grain amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. AIKEN. Mr. President, we have no more speakers.

The PRESIDING OFFICER. Without objection, all time is yielded back. The question is on agreeing to the Ellender amendment, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FONG (when his name was called). I have a pair with the junior Senator from Missouri [Mr. LONG]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the Senator from Alaska [Mr. GRUENING]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. HICKEY (when his name was called). I have a pair with the junior Senator from Colorado [Mr. CARROLL]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], and the Senator from Missouri [Mr. LONG] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from New Mexico [Mr. CHAVEZ] are necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Texas [Mr. TOWER]. If

present and voting, the Senator from New Mexico would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from Wyoming [Mr. MCGEE] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Wisconsin would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], the Senator from California [Mr. KUCHEL] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from Connecticut [Mr. BUSH] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Louisiana would vote "yea."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from California would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 46, nays 37, as follows:

[No. 60 Leg.]

YEAS—46

Bartlett	Cannon	Engle
Bible	Clark	Ervin
Burdick	Dodd	Gore
Byrd, Va.	Douglas	Hart
Byrd, W. Va.	Ellender	Hartke

Hayden	McNamara	Russell
Hill	Metcalf	Smathers
Humphrey	Monroney	Smith, Mass.
Jackson	Morse	Sparkman
Jordan	Moss	Symington
Kefauver	Muskie	Talmadge
Kerr	Neuberger	Williams, N.J.
Long, Hawaii	Pastore	Yarborough
Magnuson	Pell	Young, Ohio
Mansfield	Randolph	
McCarthy	Robertson	

NAYS—37

Aiken	Curtis	Murphy
Allott	Dirksen	Pearson
Anderson	Dworshak	Prouty
Beall	Eastland	Proxmire
Bennett	Hickenlooper	Saltonstall
Boggs	Holland	Scott
Capehart	Hruska	Smith, Maine
Carlson	Javits	Stennis
Case, N.J.	Keating	Thurmond
Case, S. Dak.	McClellan	Williams, Del.
Church	Miller	Young, N. Dak.
Cooper	Morton	
Cotton	Mundt	

NOT VOTING—17

Bush	Goldwater	Long, Mo.
Butler	Gruening	Long, La.
Carroll	Hickey	McGee
Chavez	Johnston	Tower
Fong	Kuchel	Wiley
Fulbright	Lausche	

So Mr. ELLENDER's amendment, as amended, was agreed to.

Mr. PROXMIRE obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from Wisconsin yield, without losing his right to the floor?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished minority leader without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader, in view of his announcement earlier today, whether the action just taken on the Ellender amendment will conclude the business for today, after the amendment of the distinguished Senator from Wisconsin [Mr. PROXMIRE] has been set as the pending business for tomorrow.

Mr. MANSFIELD. Yes. There will be no further votes tonight. Of course, any Senator who wishes to speak may do so. But at the first available opportunity, the leadership will move that the Senate adjourn until 10 o'clock tomorrow morning, under the order previously entered, and I express the hope that the Senate will be able to conclude action on the bill tomorrow.

Mr. DIRKSEN. I thank the distinguished majority leader.

Mr. PROXMIRE. Mr. President, I offer my amendment designated "5-21-62-J," and ask that it be made the pending business. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. The amendment will be identified.

The LEGISLATIVE CLERK. The amendment is designated "5-21-62-J."

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 66, between lines 6 and 7, insert the following:

"SUBTITLE C—DAIRY INCOME IMPROVEMENT PROGRAM"

"Legislative finding"

"SEC. 330. Milk is a basic source of the Nation's food supply. Dairy farming, which is carried on in every State of the Nation and is an important source of farm income, constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk. Surpluses of milk result in low prices to producers and impair their purchasing power; shortages result in unreasonably high prices to consumers and the loss of markets for producers. Recurring shortages and surpluses cause undesirable fluctuations in prices to producers and consumers, unstable farm income, and disorderly marketing practices. The general welfare requires that interstate and foreign commerce be protected from the harmful effects of imbalances in the supply of milk and dairy products. All marketings of milk and dairy products are either in the current of interstate and foreign commerce or directly affect such commerce. The intrastate marketing of milk and dairy products is in competition with the marketing of milk and dairy products in interstate and foreign commerce. Milk and dairy products which enter directly into the current of interstate and foreign commerce cannot be effectively regulated without regulating that part marketed within the State of production. The conditions affecting the production and marketing of milk and dairy products are such that, without Federal assistance, farmers individually or in cooperation cannot maintain a flow of an adequate and balanced supply of milk in interstate and foreign commerce at prices fair and reasonable to producers.

"General definitions"

"SEC. 331. For the purposes of this subtitle—

"(a) The term 'interstate commerce and foreign commerce' includes the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

"(b) The term 'affect interstate and foreign commerce' means, among other things, to burden, obstruct, impede, or otherwise affect interstate and foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk and dairy products for or in such commerce or after transportation therein.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'milk' means bovine milk, including any classification, type, or grade thereof.

"(e) 'Producer' means any person who is engaged in the production of milk or butterfat for market.

"(f) The term 'person' means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any other business entity.

"(g) 'First processor' means (1) any person, other than a retail store or establishment serving food for consumption on the premises, who receives, purchases, or acquires milk or dairy products from a milk producer for disposition in any form to others, and (2) any producer who disposes of milk or dairy products directly to consumers, retail stores, and establishments serving food on the premises.

"SEC. 332. In order to afford producers the opportunity and the means by which they

can (1) on a compensated basis voluntarily adjust their marketings of milk during the marketing years ending March 31, 1963 and 1964, more nearly to equal demand, thus increasing their net returns and reducing Government purchases under its price support program, and (2) receive prices for such marketing years at rates determined pursuant to section 337 of this Act for milk marketed within their normal marketing levels but receive prices which have been adjusted, through surplus marketing fees, to reflect a lower level of price support for milk marketed in excess of their normal marketing levels, thus stabilizing dairy farm income for milk marketed within normal marketing levels while reducing costs to the Government in supporting the price of milk marketed in excess of normal marketing levels and discouraging overexpansion in the production and marketing of milk, the Secretary is hereby authorized and directed, through the Commodity Credit Corporation and other means available to him, to carry out for the marketing years ending March 31, 1963 and 1964, a dairy income improvement program as set forth in the following sections of this subtitle.

"Surplus reduction payments"

"SEC. 333. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in the continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing years, ending March 31, 1963 and 1964, their marketings to a level not (1) less than 10 per centum, or (2) more than the larger of 25 per centum, or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 334 of this Act for such quarterly marketing period or periods: *Provided*, That surplus reduction payments shall be made to a producer only with respect to the reduction in his marketings which are below the lower of (1) the producer's normal marketing level, or (2) the level of marketings which the Secretary estimates would be marketed by the producer during the period covered by his agreement with Commodity Credit Corporation if he continued marketing at the rate of his marketing when he entered into the agreement, adjusted for seasonal variations: *And provided further*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect reductions in excess of 10 per centum of the total normal marketing levels for the marketing year established for producers within any one dairy district. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Commodity Credit Corporation may utilize surplus marketing fees paid to it under this Act, together with any other funds available to it for the purpose of price support, for the making of surplus reduction payments pursuant to such agreements. Such payments (1) shall not exceed \$2.80 per hundredweight of milk, basis 3.82 per centum butterfat content, or exceed such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, and (2) shall be less than the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by such agreement shall be entitled to the surplus reduction payment on the quantity by which he actually reduced his marketings, but the amount of such payments shall be reduced

by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the dairy income improvement program.

"Normal marketing level"

"SEC. 334. If producers by referendum approve of the institution of a program as provided in this subtitle, the Secretary shall establish a normal marketing level for the marketing years ending March 31, 1963 and 1964, for each producer in the continental United States, excluding Alaska, who on the effective date of this Act was engaged in the production of milk for market. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milk fat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle, which the producer or his predecessor disposed of in commercial channels during the marketing year 1961-1962: *Provided, however,* That in no event shall a normal marketing level be established for less than fifteen thousand pounds of milk. The Secretary shall make such adjustments in a normal marketing level established hereunder as he deems necessary for abnormal conditions affecting production or marketing including but not limited to flood, drought, disease of herd, personal health, and the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 335. The Secretary shall prescribe such conversion factors as he determines necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, or other dairy products.

"SEC. 336. The quantity of milk reduced by a producer pursuant to his agreement under this subtitle shall be considered as having been produced and marketed by him for the purpose of determining his production of marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such base for the disposition in commercial channels of milk, butterfat, or dairy products, produced in the same State as that in which the transferor engaged in production, or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level. The Secretary may utilize funds available for purchase or loans on dairy products under the price support program to purchase and cancel bases at a price not exceeding the amount of surplus reduction payments which Commodity Credit Corporation would make for an equal reduction in marketings.

"Producer referendum and price support levels"

"SEC. 337. Not later than February 1, 1963, the Secretary shall conduct a referendum, by secret ballot, of producers who during the marketing year 1961-1962 marketed not less than fifteen thousand pounds of milk

to determine whether producers approve the institution of a dairy income improvement program for the marketing years ending March 31, 1963 and 1964. Producers shall be deemed to approve such a program if the Secretary determines that two-thirds of the producers who voted in the referendum or that producers who voted in such referendum and who marketed not less than two-thirds of the total quantity of milk which was marketed during the marketing year ending March 31, 1962, by all producers who voted in such referendum approve the institution of a dairy income improvement program. If producers approve a dairy income improvement program, the level of price support during such marketing years for milk and the products of milk shall, notwithstanding any other provision of the law be at 90 per centum of the parity price therefor as of the beginning of the marketing year. If producers do not approve a dairy income improvement program, the level of price support for milk and the products of milk, notwithstanding any other provision of law, shall be at a level not less than 75 per centum of the parity price therefor as of the beginning of the marketing year.

"SEC. 338. Whenever normal marketing levels are established under this Act, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"Surplus marketing fees"

"SEC. 339. (a) The marketing of milk in the continental United States, excluding Alaska, either in the form of whole milk or of a product of whole milk during any quarterly marketing period of the marketing years ending March 31, 1963 and 1964, by a producer in excess of his normal marketing level for such marketing period, or by a producer who has no normal marketing level if normal marketing levels are established pursuant to this subtitle, shall be subject to a surplus marketing fee at a rate equal to the rate of the surplus reduction payment for similar milk established pursuant to section 333 of this subtitle: *Provided, however,* That no marketing fee shall be due on any milk or product thereof marketed during a quarterly marketing period commencing before the effective date of this Act.

"(b) The surplus marketing fee shall be paid to the Commodity Credit Corporation by the first processor who acquires milk or

milk products from a producer in excess of the producer's normal marketing level, but an amount equivalent to the surplus marketing fee shall be deducted from the price paid by the first processor to the producer: *Provided,* That in case any milk or milk product is marketed directly by the producer to any person outside the United States the surplus marketing fee shall be paid and remitted by the producer. For the purpose of this section, a first processor who is also a milk producer shall be deemed to have acquired that portion of his production which he markets in excess of his normal marketing level. Such surplus marketing fee shall become due and payable within fifteen days following the marketing period in which the first processor receives from any producer milk or dairy products in excess of his normal marketing level or at the end of such other period of time as the Secretary may prescribe. The first processor and the producer shall be jointly and severally liable for any default in the payment of the surplus marketing fee and for interest thereon at the rate of 6 per centum per annum from the date such fee becomes due until the date of payment thereof except that the producer shall not be liable for any such default if the amount of the fee was deducted by the first processor from the price paid to the producer.

"(c) The Commodity Credit Corporation shall refund to persons determined by the Secretary to be entitled thereto the amount of surplus marketing fees determined by the Secretary to have been erroneously paid to Commodity Credit Corporation.

"(d) In case any person who is entitled to a surplus reduction payment or a refund or surplus marketing fee dies, becomes incompetent, or disappears before receiving such payment or refund or is succeeded in law by another, the payment or refund shall, without regard to other provisions of law, be made as the Secretary may determine to be fair and reasonable in all circumstances. The basis for, the amount of, and the persons entitled to receive a surplus reduction payment or a refund of a surplus marketing fee from Commodity Credit Corporation, when determined in accordance with regulations prescribed by the Secretary, and the amount of any surplus marketing fee established by the Secretary, shall be final and conclusive.

"Review and use of committees"

"SEC. 340. The normal marketing level established for a producer shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in the county in which such producer resides and in the county or counties in which his dairy herd or herds are maintained. In establishing and apportioning marketing levels, the Secretary may utilize the services of local county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act and of agencies established to administer milk marketing orders issued under the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended. Notice of the normal marketing level shall be mailed to each producer as soon as practicable after its determination. Any producer who is dissatisfied with his normal marketing level may, within fifteen days after the date of mailing to him of the notice thereof, have such normal marketing level reviewed by a local review committee in accordance with standards prescribed by the Secretary. Such review committee shall be composed of three producers, appointed by the Secretary, from one or more of the counties in which the producer maintains his dairy herd or herds or counties adjacent thereto. Such committee shall not include any member of any other committee which determined the normal marketing level for

such producer. Unless application for review is made within such period the original determination of the normal marketing level shall be final and conclusive.

"Miscellaneous"

"SEC. 341. The provisions of section 364 (relating to review committee), section 365 (relating to the institution of proceedings), section 366 (relating to court review), and section 367 (relating to stay proceedings and exclusive jurisdiction) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1364-1367), shall be applicable to reviews and proceedings under this subtitle. The provisions of subsections (a) and (b) of section 373 of the Agricultural Adjustment Act of 1938, as amended, relating to reports and records of processors and farmers shall be applicable to each first processor and to each producer, respectively, under this subtitle. The provisions of section 388 (relating to utilization of local agencies) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1388), shall be applicable in the administration of this subtitle. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this subtitle. If and when the Secretary shall so request, it shall be the duty of the several district attorneys, under direction of the Attorney General, to institute proceedings to collect surplus marketing fees provided in this subtitle. The remedies and surplus marketing fees provided for herein shall be in addition to and not exclusive of any other remedy under law.

"SEC. 342. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle, except section 338 hereof, shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation."

Mr. PROXMIRE. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield to the distinguished Senator from Illinois, without losing my right to the floor.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. DIRKSEN. Mr. President, it has been indicated that a number of committees will seek permission to meet tomorrow during the session of the Senate. I am quite distressed to do so, but I feel, under the circumstances, that I must object to such requests, if action on the bill is to be concluded tomorrow. So I now must object to any request that committees may meet during the session of the Senate tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. Would the Senator from Illinois make an exception for the Committee on Government Operations, which is conducting hearings that have entailed the bringing of witnesses from a long distance?

Mr. DIRKSEN. Yes, I will, because that committee meeting will involve no markup of any kind. I make an exception for the Committee on Government Operations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Com-

mittee on Government Operations may meet tomorrow during the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO APPROPRIATIONS FOR NEW "FORRESTAL" CARRIER AND B-70

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement made by me this morning before the Subcommittee on Defense Appropriations of the Committee on Appropriations in opposition to the proposed appropriation for a new conventionally powered *Forrestal*-class aircraft carrier.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM PROXMIRE BEFORE THE SUBCOMMITTEE ON DEFENSE APPROPRIATIONS OF THE SENATE APPROPRIATIONS COMMITTEE, MAY 24

I am appearing before this committee at my own request primarily to urge that the proposed appropriation for a new conventionally powered *Forrestal*-class aircraft carrier not be approved.

The cost estimates for the carrier range from \$340 to \$280 million, depending on whether it is built in a private or Government shipyard. If past experience is any guide, the higher estimate will turn out to be accurate no matter where the ship is built.

Yet a third of a billion dollars is only a downpayment on an aircraft carrier. Testimony provided by the Navy to the House Appropriations Committee stated that the cost of one aircraft carrier with supply and refueling ships, antiaircraft armament, and airplanes is "in excess of \$1 billion." The chairman of the Senate Armed Services Committee, Senator RUSSELL, Democrat, of Georgia, confirmed this estimate in response to my question on the Senate floor.

Almost as large as the U.S. Capitol—the length of three football fields—with a top speed of about 30 knots, confined to the surface of the ocean, with none of the advantages of hardened protection or underwater concealment, an aircraft carrier is an inviting target to enemy attack. It cannot squeeze through the Panama Canal.

A carrier can be knocked out of commission by even a nonnuclear attack. One conventional bomb or torpedo accurately placed could destroy its usefulness for military action.

Active research and development is in process on an antimissile missile to hit an object that could be as small as a typewriter 300 miles up moving at 17,000 miles an hour. Seen from that perspective, an aircraft carrier represents a frighteningly easy target.

The carrier requested in this appropriation won't be delivered in any event until late 1966. Further developments in weaponry make its vulnerability then all the more likely.

According to Navy testimony, the new *Forrestal* carrier will not increase the size of our attack carrier fleet, but will simply replace an *Essex*-class carrier which they describe as "obsolescent." I want to examine what that word means.

Is the *Essex* carrier obsolescent compared to Soviet or other potential enemy carriers? This cannot be the case, since no other nations are acquiring new carriers. The Soviet Union has none.

Fundamentally, the *Essex* carrier is obsolescent in concept: it is slow and unpro-

tested in an age of high-speed missiles and massive nuclear and nonnuclear weapons.

This is genuine obsolescence, for which there is no cure except a gradual phasing out of carriers.

But simply building a brandnew carrier to be delivered in 1966, a little bit longer, a little bit faster, a little more advanced in equipment—and a lot more expensive—cannot cure this kind of obsolescence.

We already have 16 aircraft carriers in operation, plus a 17th new one due to be completed in 1965. These are the nuclear-powered *Enterprise*, seven conventionally powered *Forrestals*, three of the *Midway* class, and six of the *Essex* class. This represents a substantial investment in aircraft carrier capability.

Far from enlarging our attack carrier fleet, it is proposed to reduce it to 14. Several *Essex* class carriers are to be retired.

Yet for the limited war situation in which aircraft carriers contribute to a show of strength, the *Essex* carriers provide impressive capability. It is such limited conflicts that provide the only possible justification for aircraft carriers. In the case of all-out war, neither the seasoned *Essex* nor the newest *Forrestal* would be much use.

With the exception of the *Enterprise* all our carriers including the proposed new one have a serious fuel problem. Extensive planning and coordination is required to supply them with fuel oil and aviation gas. Like the carriers themselves, these supply lines are highly vulnerable to nonnuclear enemy attack, even in limited war situations.

The Navy testified to the House Appropriations Subcommittee that aircraft carriers can play an especially important role in the western Pacific-southeast Asia area. Yet this is the area which obviously poses the most difficult supply and fuel problems.

In the 1959 debate in the Senate on acquiring the nuclear-powered carrier, several Senators, respected for their understanding of military affairs, stated that to acquire a conventional carrier would be to "buy obsolescence." I believe this argument had considerable force at that time, when it was stated in support of the nuclear carrier.

The statement is obviously more valid today. To buy a conventional aircraft carrier in an age of nuclear submarines, intercontinental rockets, supersonic airplanes, and sky-to-ground missiles, is to invest in obsolescence.

I fully recognize that this committee and the U.S. Congress are committed to make adequate provision for our national defense. Since the new aircraft carrier has been requested by the Navy and the Secretary of Defense, and included in the President's budget, a decision to disallow it will not be easy and must be based on hard, sober analysis.

But the decision to appropriate some \$300 million and more for an aircraft carrier is ours. The final judgment and responsibility belong to Congress. To abdicate this responsibility by freely approving all Defense Department requests runs counter to the spirit of the Constitution and in practice can have most unfortunate consequences. It is we who must weigh and analyze and, finally, decide for ourselves what shall be done.

B-70 PROGRAM

Regarding the B-70 and its more recent cousin, the RS-70, I urge this subcommittee to accept the considered judgment of the Secretary of Defense, as endorsed by the President, and not provide additional funds above the budget request.

Dr. Harold Brown, Director of Defense Research and Engineering at the Pentagon, testified before the House Appropriations Committee that funds already appropriated for the B-70 program are ample for continued development in the coming fiscal year. The Defense Department expects to

spend the very considerable sum of \$171 million, out of the extra \$180 million appropriated by Congress last year above administration requests. In total more than \$1 billion has been made available for development of the B-70.

This year's authorization provides for an additional \$491 million. A few days ago General LeMay appeared before this subcommittee to support an appropriation of that amount. The House-passed bill provides \$223 million plus an additional \$53 million for development of radar equipment for the RS-70—a total of \$276 million, which is \$105 million above the administration's budget request.

It is my hope that the Senate will endorse the considered judgment of the Secretary of Defense and director of research and development, based on rock-solid logical and factual analysis, by not appropriating any additional funds for the B-70.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that any time consumed on my amendment tonight be not charged to the time allotted to the amendment. My request is for tonight only.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield to the distinguished junior Senator from Minnesota, without losing my right to the floor.

Mr. McCARTHY. Mr. President, I thank the Senator from Wisconsin. I send to the desk an amendment which I intend to offer as a substitute for the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE], and which has been made the pending business of the Senate.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be received and printed, and will lie on the table.

Mr. McCARTHY. Mr. President, my amendment contains the provisions which are in the bill reported by the House Committee on Agriculture—although the bill has not been acted upon by the House itself—and also one additional provision; namely, that the Secretary of Agriculture be permitted to use the production payment method and to make supplemental payments to producers of milk for manufacturing who agree to reduce production, in addition to the surplus reduction payments made to such producers. I intend to offer my amendment as a substitute for the amendment which has just been offered by the Senator from Wisconsin and which has been made the pending business of the Senate.

VIEWS OF DR. EARL J. McGRATH, OF COLUMBIA UNIVERSITY, ON HIGHER EDUCATION

Mr. MORSE. Mr. President, Dr. Earl J. McGrath of the Institute of Higher Education at Teachers College of Columbia University, in an address at the University of Pennsylvania last January 25, 1962, has expressed himself quite forcefully upon a number of points concerning higher education which deserve careful consideration.

As an educator, Dr. McGrath is rightly concerned with the concept of educational excellence. Although there may be many in the field to whom his comments will serve as an irritant, in my judgment his forceful presentation should serve to clarify the discussion by pinpointing the issues.

Mr. President, it is my belief that many Senators will find these comments by Dr. McGrath helpful as they come to consider the broad field of educational legislation in the months ahead.

Since the conferees of the Senate expect to enter into a conference with Members of the House on the education bill in the next few days—and it will be an important conference—and since I believe Dr. McGrath's views are pertinent to the subject, I ask unanimous consent that the Benjamin Franklin lecture at the University of Pennsylvania, to which I have alluded, be printed at this point in the RECORD.

I particularly hope that members of the conference committee on the higher education bill will read this excellent address by Dr. McGrath.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OBSERVATIONS ON THE MEANING OF ACADEMIC EXCELLENCE

(Benjamin Franklin lecture given by Earl J. McGrath at the University of Pennsylvania on January 25, 1962)

Academic excellence is the motif on which many current discussions of American higher education are orchestrated. The contrapuntal embellishments in these compositions include such subthemes as more science and languages in the high schools, higher college admission requirements, enriched content in all fields, greater stress on theoretical instruction, more searching examinations, higher criteria for scholarship assistance, honors courses for superior students, and a host of other devices calculated to raise the quality of learning. To those who have observed the supermarket practices of some institutions of higher education, the catering to the importunities of the uninformed, and the limited accomplishments of students, these themes rightly have a harmonious sound.

The levels of achievement in our colleges and universities have been unjustifiably low. The same can be said of the lower schools. Many students have neither been stimulated nor required to work up to their full intellectual capacity. College teachers properly complain that entering students have not mastered such high school subjects as English, mathematics, history, or chemistry while instructors in the graduate schools often find similar deficiencies in the products of the colleges. Parents and employers swell the chorus of criticisms within the profession. We would all agree that efforts to raise the standards of academic performance deserve applause and support.

Under the circumstances it may appear boorish to dub a few discordant notes into the present popular theme of academic excellence, but that is what the circumstances require to stir us to a keener awareness of the significance and direction of present developments. Current discussions tend to be sharply focussed on subject matter, students, buildings, and finance, and too indistinctly on basic social and educational philosophy. Too often they completely overlook two tenets of American higher education. The first is the revolutionary idea that all citizens in a democracy should have the opportunity to develop their abilities to the fullest, not only as a personal right, but as a social necessity. In applying this principle to higher education we differ from other nations which reserve the privileges of advanced learning to the social and the intellectual elite. The other equally uncommon doctrine holds that institutions of higher education have a responsibility to create and disseminate knowledge related to all aspects of modern man's multifaceted world. Hence, unlike other nations which limit instruction to the liberal arts and older professional disciplines, our colleges and universities offer a great variety of instruction and conduct research in agriculture, business administration, pharmacy, home economics, accounting, medical technology, food marketing, and dozens of other fields.

The first of these policies—equal opportunity for higher education—has opened the doors of colleges and universities to an ever-increasing percentage of American youth. In the the 18th and 19th centuries only a small minority enjoyed the advantages of an advanced education. As Brubacher observes, high fees, especially in the older institutions on the east coast, "tended increasingly to restrict such institutions to the well-to-do and to give them a fundamentally patrician character."¹ Even as late as 1900 only 4 percent, 1 in 25, of the young people of college age attended such an institution. But between 1900 and 1960 this percentage rose from 4 to 37.8.

Ronald B. Thompson, who in the early fifties so accurately predicted present college and university enrollments, has recently issued new projections indicating that if the percentage of the age group attending college remains constant, 1970 enrollments will rise to 5.4 million.² If the percentage rises, as is more likely, 6.8 million students will have to be accommodated. Even if these figures should shrink by several hundred thousand the task of assimilating the additional students will require our stoutest national effort.

A basic fact on which any realistic discussion of academic excellence in American higher education must rest is, therefore, the incurable determination of our people to open wider the doors of higher education. Accordingly, as far as our Nation is concerned, academic excellence cannot be defined in terms of the intellectual capacities of 10 or 15 percent of the population. In this connection it is instructive to observe that Western European countries are moving away from their earlier selective policies toward American practice.³ In any event no useful social purpose will be served by envisaging a program of American higher education in terms of a narrowing of the abilities now represented in institutions of

¹ John S. Brubacher and Willis Rudy, "Higher Education in Transition," Harper & Bros., New York, 1958, p. 40.

² Ronald B. Thompson, "Enrollment Projections for Higher Education 1961-1978," Ohio State University, Columbus, Ohio, September 1961, p. 6.

³ See Phi Delta Kappan, "Reform in Post Primary Education of Western Europe," November 1961, vol. XLIII, No. 2.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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CONTENTS

Adjourned.....8	Feed grains.....1,23	Nominations.....19
Atomic energy.....16	Foreign affairs.....12	Personnel.....21
Cherries.....1	Foreign aid.....3	Public works.....2,7,15
Communications.....14	Foreign trade.....10,11	Reclamation.....5,18
Conservation.....9	Grains.....1	Research.....16,23
Cooperatives.....1	Honeybees.....23	Stockpiling.....20
Cotton.....20	Housing.....12	Tariff.....11
Dairy income.....1,23	Land-use.....1	Territories.....17
Drugs.....13	Legislative program.....7	Transportation.....22
Electrification.....6,23	Livestock.....23	Water.....18
Erosion.....1	Loans.....1,23	Wheat.....1,23
Farm program.....1,4	Marketing.....1	Wildlife.....9

HIGHLIGHTS: Senate passed farm bill. Senate began consideration of public works
acceleration bill.

SENATE

1. FARM BILL. By a vote of 42 to 38, passed with amendments S. 3225, the farm bill.
pp. 8593, 8594-8, 8603-15, 8618-64

Agreed to the following amendments:

By Sen. Young, N. Dak., to strike from the wheat certificate section of the bill "the Durum program which I was successful in getting approved by Congress last year" and include Durum under the general provision of the bill for increasing allotments of kinds of wheat in short supply. pp. 8632-3

By Sen. Young, N. Dak., to amend the wheat marketing certificate program by providing that during 1963, 1964, and 1965 the Secretary could permit acreage diverted from the production of wheat to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. p. 8633

By Sen. Mundt to permit measures to be taken for the control of erosion, in addition to measures for control of insects, weeds, etc., on diverted acreage. p. 8637

By Sen. Ellender (for Sen. Fulbright) to permit the Farmers Home Administration to make loans to fish farmers. p. 8637

By Sen. Humphrey to reconfirm the policy of Congress and "remind the Commodity Credit Corporation that in this country we have private facilities and farmer-owned facilities that ought to be utilized in marketing and in transactions relating to agricultural commodities." p. 8637

By Sen. Humphrey expressing the sense of Congress that the Secretary should utilize the services and facilities of cooperative associations of producers when he determines such action would result in more effective or economical administration of agricultural programs. p. 8637

By Sen. Hart to permit the expenditure of funds for advertising under marketing order programs for cherries. p. 8641

Rejected the following amendments:

By Sen. Proxmire, 13 to 70, to include provisions in the bill for a dairy income improvement program. pp. 8593, 8594-8, 8603-7

By Sen. McCarthy, 21 to 60, to include provisions for a dairy program which he stated "proposes the language which was adopted by the House Committee on Agriculture relating to the dairy industry, with two significant changes which are included in section 335." pp. 8607-13

By Sen. Thurmond, 17 to 65, to strike out title I of the bill relating to land-use adjustment. pp. 8614-5, 8618-22

By Sen. Williams, Del., to exclude exports, other than commercial exports for dollars, from the wheat marketing certificate plan. pp. 8638-40

Sen. Miller submitted, but later withdrew, a proposed amendment to provide that recreation programs undertaken under title I relating to land-use adjustment should be undertaken in cooperation with the Bureau of Outdoor Recreation. p. 8622

Sen. Robertson submitted, but later withdrew, a proposed amendment to authorize the President to make available to needy peoples of friendly peoples or nations in Africa and Asia surplus CCC-owned corn, barley, and grain sorghums which are excess to domestic requirements. pp. 8622-31

Sen. Carlson submitted, but later withdrew, a proposed amendment to defer from 1963 to 1964 the effective date of the certificate program for wheat. pp. 8633-5

By a vote of 43 to 40, tabled a proposed amendment by Sen. Keating to provide that no payment or agreement shall be made under title I on land-use adjustment unless the Secretary determined that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race. pp. 8635-7

Sen. Humphrey submitted, but later withdrew, a proposed amendment to authorize an increase in the amount of insured loans of the Farmers Home Administration from \$150,000,000 to \$300,000,000. pp. 8637-8

By a vote of 43 to 40, tabled a proposed amendment by Sen. Monroney to exempt for a two-year period feed grains grown on a farm which are consumed on that farm. pp. 8641-4

~~2. PUBLIC WORKS. Began debate on S. 2965, to provide standby authority to accelerate public works programs. Agreed to a unanimous-consent agreement to limit debate on this bill beginning Mon., May 28. pp. 2664-5, 8667-70~~

~~Sens. Kerr and Case, S. Dak., submitted amendments intended to be proposed to this bill. pp. 8584-5~~

~~3. FOREIGN AID. Sen. Humphrey inserted an editorial and his letter to the editor concerning the proposed reduction in foreign aid to India. pp. 8585-6~~

87TH CONGRESS
2^D SESSION

S. 3225

IN THE SENATE OF THE UNITED STATES

MAY 25, 1962

Ordered to be printed as passed

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act be cited as the "Food and Agriculture Act
4 of 1962".

1 TITLE I—LAND-USE ADJUSTMENT

2 SEC. 101. The Soil Conservation and Domestic Allot-
3 ment Act (49 Stat. 163), as amended, is further amended
4 as follows:

5 (1) by repealing subsections (b), (c), (d), (e),
6 (f), and (g) of section 7;

7 (2) by repealing subsection (a) of section 8;

8 (3) by amending the first sentence of subsection
9 (b) of section 8 of said Act, as amended, by striking
10 out the language "Subject to the limitations provided in
11 subsection (a) of this section, the" and inserting in lieu
12 thereof the word "The"; and

13 (4) by adding a new subsection at the end of
14 section 16 of said Act to read as follows:

15 "(e) (1) For the purpose of promoting the conserva-
16 tion and economic use of land, the Secretary, without regard
17 to the foregoing provisions of this Act, except those relating
18 to the use of the services of State and local committees, is
19 authorized to enter into agreements, to be carried out during
20 such period not to exceed fifteen years as he may determine,
21 with farm and ranch owners and operators providing for
22 practices or measures to be carried out on any lands owned
23 or operated by them and regularly used in the production of
24 crops (including crops such as tame hay, alfalfa, and clovers,
25 which do not require annual tillage, and including lands

1 covered by conservation reserve contracts under subtitle B
2 of the Soil Bank Act) for the purpose of conserving and de-
3 veloping soil, water, forest, wildlife, and recreation resources,
4 or for nonagricultural purposes. Such agreements shall in-
5 clude such terms and conditions as the Secretary may deem
6 desirable to effectuate the purposes of this subsection and
7 may provide for payments, the furnishing of materials and
8 services, and other assistance, in amounts determined by the
9 Secretary to be fair and reasonable, in consideration of the
10 obligations undertaken by the farm and ranch owners and
11 operators and the rights acquired by the Secretary.

12 “(2) The Secretary shall provide adequate safeguards
13 to protect the interests of tenants and sharecroppers, includ-
14 ing provision for sharing, on a fair and equitable basis, in
15 payments under this subsection.

16 “(3) The Secretary may agree to such modification of
17 agreements previously entered into as he may determine to
18 be desirable to carry out the purposes of this subsection or to
19 facilitate the practical administration of the program carried
20 out pursuant to this subsection.

21 “(4) The Secretary shall issue such regulations as he
22 determines necessary to carry out the provisions of this
23 subsection.

24 “(5) Notwithstanding any other provision of law, the
25 Secretary, to the extent he deems it desirable to carry out

1 the purposes of this subsection, may provide in any agree-
2 ment hereunder for (A) preservation for a period not to
3 exceed the period covered by the agreement and an equal
4 period thereafter of the cropland, crop acreage, and allot-
5 ment history applicable to land covered by the agreement
6 for the purpose of any Federal program under which such
7 history is used as a basis for an allotment or other limitation
8 on the production of such crop; or (B) surrender of any
9 such history and allotments.

10 “(6) There is hereby authorized to be appropriated such
11 sums as may be necessary to carry out this subsection. The
12 Secretary shall not enter into agreements hereunder which
13 would require payments, the furnishing of materials and
14 services, and other assistance, in amounts in excess of
15 \$10,000,000 in any calendar year.”

16 (5) by adding a new subsection at the end of sec-
17 tion 16 of said Act to read as follows:

18 “(f) The Secretary is authorized to use the services,
19 facilities, and authorities of Commodity Credit Corporation
20 for the purpose of making disbursements to producers under
21 programs formulated pursuant to sections 8 and 16(e) of
22 this Act: *Provided*, That no such disbursements shall be
23 made by Commodity Credit Corporation unless it has re-
24 ceived funds to cover the amount thereof from appropriations
25 available for the purpose of carrying out such programs.”

1 SEC. 102. (a) Section 31 of title III of the Bankhead-
2 Jones Farm Tenant Act (50 Stat. 525), as amended, is
3 amended to read as follows:

4 “SEC. 31. The Secretary is authorized and directed to
5 develop a program of land conservation and land utilization,
6 including the more economic use of lands and the retirement
7 of lands which are submarginal or not primarily suitable for
8 cultivation, in order thereby to correct maladjustments in
9 land use, and thus assist in controlling soil erosion, reforesta-
10 tion, enabling local public authorities to provide public
11 recreation, preserving natural resources, protecting fish and
12 wildlife, mitigating floods, preventing impairment of dams
13 and reservoirs, conserving surface and subsurface moisture,
14 protecting the watersheds of navigable streams, and protect-
15 ing the public lands.

16 (b) Subsection (a) of section 32 of title III of the
17 Bankhead-Jones Farm Tenant Act, as amended, is repealed.

18 (c) Section 32 (e) of title III of the Bankhead-Jones
19 Farm Tenant Act, as amended, is amended to read as follows:

20 “(e) to cooperate with Federal, State, territorial,
21 and other public agencies in developing plans for a pro-
22 gram of land conservation and land utilization, to assist
23 in carrying out such plans by means of loans to State
24 and local public agencies designated by the State legis-
25 lature or the Governor, to conduct surveys and investiga-

1 tions relating to conditions and factors affecting, and the
2 methods of accomplishing most effectively the purposes
3 of this title, and to disseminate information concerning
4 these activities. Loans to State and local public agen-
5 cies shall be made only if such plans have been sub-
6 mitted to, and not disapproved within 45 days by, the
7 State agency having supervisory responsibility over
8 such plans, or by the Governor if there is no such State
9 agency. No appropriation shall be made for any single
10 loan under this subsection in excess of \$250,000 un-
11 less such loan has been approved by resolutions adopted
12 by the Committee on Agriculture and Forestry of the
13 Senate and the Committee on Agriculture of the House
14 of Representatives. Loans under this subsection shall be
15 made under contracts which will provide, under such
16 terms and conditions as the Secretary deems appropriate,
17 for the repayment thereof in not more than 30 years,
18 with interest at the average rate, as determined by the
19 Secretary of the Treasury, payable by the Treasury on
20 its marketable public obligations outstanding at the be-
21 ginning of the fiscal year in which the loan is made,
22 which are neither due nor callable for redemption for 15
23 years from date of issue. Repayment of principal and
24 interest on such loans shall begin within 5 years.”

1 SEC. 103. The Watershed Protection and Flood Preven-
2 tion Act (68 Stat. 666) , as amended, is amended as follows:

3 (1) Paragraph (1) of section 4 of said Act is
4 amended by changing the semicolon at the end thereof
5 to a colon and adding the following: "*Provided*, That
6 when a local organization agrees to operate and maintain
7 any reservoir or other area included in a plan for public
8 fish and wildlife or recreational development, the Secre-
9 tary shall be authorized to bear not to exceed one-half of
10 the costs of (a) the land, easements, or rights-of-way
11 acquired or to be acquired by the local organization for
12 such reservoir or other area, and (b) minimum basic
13 facilities needed for public health and safety, access to,
14 and use of such reservoir or other area for such purposes:

15 *Provided further*, That the Secretary shall be authorized
16 to participate in recreational development in any water-
17 shed project only to the extent that the need therefor is
18 demonstrated in accordance with standards established
19 by him, taking into account the anticipated man-days of
20 use of the projected recreational development and giving
21 consideration to the availability within the region of ex-
22 isting water-based outdoor recreational developments:
23 *Provided further*, That when the Secretary and a local
24 organization have agreed that the immediate acquisition

1 by the local organization of land, easements, or rights-
2 of-way is advisable for the preservation of sites for works
3 of improvement included in a plan from encroachment
4 by residential, commercial, industrial, or other develop-
5 ment, the Secretary shall be authorized to advance to
6 the local organization from funds appropriated for con-
7 struction of works of improvement the amounts required
8 for the acquisition of such land, easements or rights-of-
9 way; and, except where such costs are to be borne by
10 the Secretary, such advance shall be repaid by the local
11 organization, with interest, prior to construction of the
12 works of improvement, for credit to such construction
13 funds.”

14 (2) Clause (A) of paragraph 2 of section 4 of said
15 Act is amended to read as follows: “(A) such propor-
16 tionate share, as is determined by the Secretary to be
17 equitable in consideration of national needs and assist-
18 ance authorized for similar purposes under other Federal
19 programs, of the costs of installing any works of improve-
20 ment, involving Federal assistance (excluding engineer-
21 ing costs), which is applicable to the agricultural phases
22 of the conservation, development, utilization, and dis-
23 posal of water or for fish and wildlife or recreational
24 development, and”.

1 TITLE II—AGRICULTURAL TRADE
2 DEVELOPMENT

3 SEC. 201. Title IV of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended, is further
5 amended as follows:

6 (1) Section 401 is amended by adding at the end
7 thereof the following new sentence: "It is also the pur-
8 pose of this title to stimulate and increase the sale of
9 surplus agricultural commodities for dollars through
10 long-term supply agreements and through the extension
11 of credit for the purchase of such commodities, by agree-
12 ments either with friendly nations or with the private
13 trade, thereby assisting the development of the econ-
14 omies of friendly nations and maximizing dollar trade:
15 *Provided*, That agreements with the private trade shall
16 be limited to the purchase of commodities for shipment
17 to underdeveloped countries for consumption in the
18 underdeveloped countries to which they are shipped."

19 (2) Section 402 is amended—

20 (a) by inserting " , including financial insti-
21 tutions acting in behalf of such nations," after the
22 words "friendly nations"; and

1 (b) by adding at the end thereof the following:

2 “In furtherance of the purpose of maximizing dol-
3 lar sales through the private trade, the Secretary
4 of Agriculture is authorized to enter into sales
5 agreements with foreign and United States private
6 trade under which he shall undertake to provide for
7 the delivery of surplus agricultural commodities
8 over such periods of time and under the terms
9 and conditions set forth in this title. Any agree-
10 ment entered into hereunder with the private trade
11 shall provide for the furnishing of such security as
12 the Secretary determines necessary to provide rea-
13 sonable assurance of payment of the amount due
14 for agricultural commodities sold pursuant to such
15 agreement.”

16 (3) Section 403 is amended—

17 (a) by deleting the words “approximately
18 equal” from the last sentence thereof and substituting
19 therefor the word “reasonable”; and

20 (b) by inserting after the word “agreement” in
21 the last sentence thereof the following: “, except that
22 the date for beginning such annual payments may
23 be deferred for a period not later than two years
24 after such date of last delivery,”.

25 (4) Section 405 is amended to read as follows:

1 “SEC. 405. In entering into agreements with friendly
2 nations for the sale of surplus agricultural commodities, the
3 President may, to the extent deemed practicable and in the
4 best interests of the United States, permit other friendly
5 and historic supplying nations to participate in supplying
6 such commodities under the sales agreement on the same
7 terms and conditions as those applicable to the United
8 States.”

9 (5) Section 406 is amended by inserting after the
10 word “sections” the following: “101 (b) and (c),”.

11 TITLE III—COMMODITY PROGRAMS

12 SUBTITLE A—FEED GRAINS

13 SEC. 301. Subtitle B of title III of the Agricultural
14 Adjustment Act of 1938, as amended, is further amended by
15 inserting after part VI a new part VII as follows:

16 “PART VII—MARKETING QUOTAS—FEED GRAINS

17 “LEGISLATIVE FINDINGS

18 “SEC. 360a. The production of feed grains is a vital
19 part of the agricultural economy of the United States. Feed
20 grains move almost wholly in interstate and foreign com-
21 merce in the form of grains, livestock, and livestock products.

22 “Abnormally excessive and abnormally deficient sup-
23 plies of feed grains on the national market acutely and directly
24 burden, obstruct, and affect interstate and foreign com-
25 merce. When the available supply of feed grains is exces-

1 sive, the prices of feed grains are unreasonably low and
2 farmers overexpand livestock production to find outlets for
3 feed grains. Excessive supplies of feed grains cause the
4 marketing of excessive supplies of livestock in interstate and
5 foreign commerce at sacrificial prices, endanger the financial
6 stability of producers, and overtax the handling, processing,
7 and transportation facilities through which the flow of inter-
8 state and foreign commerce in feed grains, livestock, and
9 livestock products is directed. Deficient supplies of feed
10 grains result in substantial decreases in livestock production
11 and in an inadequate flow of livestock and livestock products
12 in interstate and foreign commerce, with the consequence
13 of unreasonably high prices to consumers and loss of markets
14 for producers.

15 “Although certain feed grains are better suited for pro-
16 duction in some areas than other feed grains, in general, one
17 of several feed grains can be grown on the same land. A
18 marketing program which provides for a single quota appli-
19 cable to feed grains and which permits producers to deter-
20 mine, within the quota, which feed grains they shall produce
21 will tend to effectuate the policy of the Act and will permit
22 producers the maximum amount of freedom of choice con-
23 sistent with the attainment of the policy of the Act.

24 “The conditions affecting the production and market-
25 ing of feed grains are such that, without Federal assistance,

1 farmers, individually or in cooperation, cannot effectively
2 provide for a balanced supply of feed grains and the orderly
3 marketing of feed grains in interstate and foreign commerce
4 at prices which are fair and reasonable to farmers and con-
5 sumers.

6 “The national public interest and general welfare re-
7 quire that the burdens on interstate and foreign commerce
8 above described be removed by the exercise of Federal
9 power. Feed grains which do not move in the form of feed
10 grains outside of the State where they are produced are so
11 closely and substantially related to feed grains which move
12 in the form of feed grains outside of the State where they are
13 produced, and have such a close and substantial relation to
14 the volume and price of livestock and livestock products in
15 interstate and foreign commerce, that it is necessary to regu-
16 late feed grains which do not move outside of the State where
17 they are produced to the extent set forth in his Act.

18 “The diversion of substantial acreage from feed grains to
19 the production of commodities which are in surplus supply
20 or which will be in surplus supply if they are permitted to
21 be grown on the diverted acreage would burden, obstruct,
22 and adversely affect interstate and foreign commerce in such
23 commodities, and would adversely affect the prices of such
24 commodities in interstate and foreign commerce. Small
25 changes in the supply of a commodity could create a suffi-

1 cient surplus to affect seriously the price of such commodity
2 in interstate and foreign commerce. Large changes in the
3 supply of such commodity could have a more acute effect on
4 the price of the commodity in interstate and foreign com-
5 merce and, also, could overtax the handling, processing, and
6 transportation facilities through which the flow of interstate
7 and foreign commerce in such commodity is directed. Such
8 adverse effects caused by overproduction in one year could
9 further result in a deficient supply of the commodity in the
10 succeeding year, causing excessive increases in the price of
11 the commodity in interstate and foreign commerce in such
12 year. It is, therefore, necessary to prevent acreage diverted
13 from the production of feed grains to be used to produce com-
14 modities which are in surplus supply or which will be in sur-
15 plus supply if they are permitted to be grown on the diverted
16 acreage.

17 “NATIONAL MARKETING QUOTA

18 “SEC. 360b. (a) Whenever prior to June 20 in any cal-
19 endar year the Secretary determines that the total supply of
20 feed grains in the marketing year beginning in the next suc-
21 ceeding calendar year will, in the absence of a marketing
22 quota program, likely be excessive, the Secretary shall pro-
23 claim that a national marketing quota for feed grains shall
24 be in effect for such marketing year and for either the follow-
25 ing marketing year or the following two marketing years,

1 if the Secretary determines and declares in such proclamation
2 that a two- or three-year marketing quota program is neces-
3 sary to effectuate the policy of the Act.

4 “(b) If a national marketing quota for feed grains has
5 been proclaimed for any marketing year, the Secretary shall
6 determine and proclaim the amount of the national marketing
7 quota for such marketing year not earlier than January 1 or
8 later than June 20 of the calendar year preceding the year
9 in which such marketing year begins. The amount of the
10 national marketing quota for feed grains for any marketing
11 year shall be an amount of feed grains which, during such
12 marketing year, the Secretary estimates (i) will be utilized
13 in the United States in the production of the volume of live-
14 stock (including poultry) and livestock products determined
15 to be needed to meet domestic consumption and export
16 requirements, (ii) will be utilized for human consumption
17 in the United States as food, food products, and beverages,
18 composed wholly or partly of feed grains, (iii) will be uti-
19 lized in the United States for seed and industrial uses, and
20 (iv) will be exported either in the form of feed grains or
21 products thereof; less (A) an amount of feed grains equal
22 to the estimated imports of feed grains into the United States
23 during such marketing year and, (B) if the stocks of feed
24 grains owned by the Commodity Credit Corporation are
25 determined by the Secretary to be excessive, an amount of

1 feed grains determined by the Secretary to be a desirable
2 reduction in such marketing year in such stocks to achieve
3 the policy of the Act: *Provided*, That if the Secretary deter-
4 mines that the total stocks of feed grains in the Nation are
5 insufficient to assure an adequate carryover for the next suc-
6 ceeding marketing year, the national marketing quota other-
7 wise determined shall be increased by the amount the Secre-
8 tary determines to be necessary to assure an adequate carry-
9 over: *And provided further*, That the national marketing
10 quota for feed grains for any marketing year shall be not
11 less than one hundred and ten million tons.

12 “(c) If, after the proclamation of a national market-
13 ing quota for feed grains for any marketing year, the Secre-
14 tary has reason to believe that, because of a national emer-
15 gency or because of a material increase in the demand for
16 feed grains, the national marketing quota should be ter-
17 minated or the amount thereof increased, he shall cause an
18 immediate investigation to be made to determine whether
19 such action is necessary in order to meet such emergency or
20 increase in the demand for feed grains. If, on the basis of such
21 investigation, the Secretary finds that such action is neces-
22 sary, he shall immediately proclaim such finding and the
23 amount of any such increase found by him to be necessary
24 and thereupon such national marketing quota shall be so in-
25 creased or terminated. In case any national marketing quota

1 is increased under this subsection, the Secretary shall provide
 2 for such increase by increasing acreage allotments estab-
 3 lished under this part by a uniform percentage.

4 "NATIONAL ACREAGE ALLOTMENT

5 "SEC. 360c. Whenever the amount of the national mar-
 6 keting quota for feed grains is proclaimed for any marketing
 7 year, the Secretary at the same time shall proclaim a national
 8 acreage allotment for the crop of feed grains planted for
 9 harvest in the calendar year in which such marketing year
 10 begins. The amount of the national acreage allotment shall be
 11 the number of acres which the Secretary determines on the
 12 basis of expected yields and expected underplantings of farm
 13 acreage allotments will, together with the expected produc-
 14 tion (1) on increased acreage resulting from exemptions
 15 pursuant to sections 360f and 360k, and (2) of silage on
 16 acreage excluded from the acreage of feed grains pursuant to
 17 section 301 (a) (11), make available a supply of feed grains
 18 equal to the national marketing quota for feed grains for
 19 such marketing year.

20 "APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

21 "SEC. 360d. (a) The national acreage allotment for
 22 any crop of feed grains, less a reserve acreage of not to
 23 exceed 1 per centum thereof for use as provided in subsection
 24 (b) (2) of this section, shall be apportioned by the Secre-

1 tary among the several States on the basis of the base acre-
2 age of feed grains for each State. The State base acreage
3 of feed grains shall be the average acreage of feed grains in
4 the State during the base period, adjusted pursuant to sub-
5 section (d) of this section.

6 “(b) (1) The State acreage allotment for any crop of
7 feed grains, less a reserve acreage of not to exceed 3 per
8 centum thereof for use as provided in subsection (c) (2)
9 of this section, shall be apportioned by the Secretary among
10 the counties in the State on the basis of the base acreage
11 of feed grains for each county. The county base acreage of
12 feed grains shall be the average acreage of feed grains in the
13 county during the base period, adjusted pursuant to subsec-
14 tion (d) of this section.

15 “(2) The reserve acreage established pursuant to sub-
16 section (a) of this section shall be used by the Secretary
17 to make increases in county acreage allotments on the basis
18 of the relative needs of counties for an additional share of
19 the national acreage allotment because of reclamation and
20 other new areas coming into the production of feed grains.

21 “(c) (1) The county acreage allotment for any crop
22 of feed grains shall be apportioned by the Secretary, through
23 the county committee, among the farms in the county on the
24 basis of the base acreage of feed grains for each farm. The

1 farm base acreage of feed grains shall be the average acreage
2 of feed grains on the farm during the base period, adjusted
3 pursuant to subsection (d) of this section.

4 “(2) The reserve acreage established pursuant to sub-
5 section (b) (1) of this section shall be available:

6 “(A) For apportionment to farms which were
7 eligible to receive farm acreage allotments under this
8 part, but which through error did not receive such allot-
9 ments;

10 “(B) For making increases in farm acreage allot-
11 ments on the basis of any one or more of the following
12 factors: tillable acres, type of soil, topography, estab-
13 lished crop-rotation practices on the farm, hardship, in-
14 equities in allotments, and such other factors as the
15 Secretary determines should be considered for the pur-
16 pose of establishing fair and equitable farm acreage
17 allotments; and

18 “(C) For apportionment to farms for which farm
19 acreage allotments were not determined because there
20 were no acreages of feed grains on such farms during
21 the base period on the basis of the following factors:
22 the suitability of the land for the production of feed
23 grains, the past experience of the farm operator in the
24 production of feed grains, the extent to which the farm

1 operator is dependent on income from farming for his
2 livelihood, the production of feed grains on other farms
3 owned, operated, or controlled by the farm operator,
4 and such other factors as the Secretary determines
5 should be considered for the purpose of establishing fair
6 and equitable farm acreage allotments.

7 “(d) In determining the State, county, and farm base
8 acreages—

9 “(1) the base period shall be the calendar years
10 1959 and 1960 for the purpose of determining acreage
11 allotments for the 1963, 1964, and 1965 crops of feed
12 grains; and for the purpose of determining acreage allot-
13 ments for subsequent crops of feed grains, the base
14 period shall be the two most recent calendar years dur-
15 ing which a marketing quota program was in effect for
16 which statistics of the Federal Government are available;

17 “(2) the Secretary shall make such adjustments
18 as he determines are necessary for abnormal conditions
19 affecting the acreage of feed grains planted for harvest,
20 land which is regarded as devoted to the production
21 of feed grains under Federal farm programs, acreage
22 diverted from the production of feed grains under this
23 part, established crop-rotation practices on the farm,
24 and such other factors as the Secretary determines should

1 be considered for the purpose of establishing fair and
2 equitable base acreages;

3 “(3) the acreage of feed grains on the farm in
4 excess of the farm acreage allotment shall be excluded
5 in determining the average acreage of feed grains for
6 the State, county, or farm, except that in the case of a
7 farm which is exempt from the farm marketing quota
8 under the small-farm exemption in section 360f, or
9 under the exemption in section 360k, the acreage on
10 the farm in excess of the farm acreage allotment but
11 not in excess of the farm base acreage, shall not be
12 excluded.

13 “(4) the acreage of wheat produced on the farm
14 in excess of the farm acreage allotment pursuant to the
15 exemption provided in section 335 (f), in effect prior to
16 the enactment of this part VII, shall be considered as an
17 acreage of feed grains in determining the average acre-
18 age of feed grains for the State, county, or farm, and
19 shall not be considered as an acreage of wheat in de-
20 termining the small-farm base acreage for wheat pur-
21 suant to section 335.

22 “GEOGRAPHICAL APPLICABILITY

23 “SEC. 360e. This part VII shall be applicable to the
24 continental United States excluding Alaska.

1 "SMALL FARM EXEMPTION

2 "SEC. 360f. Notwithstanding any other provision of
3 this part, no farm marketing quota for any crop of feed grains
4 shall be applicable to any farm with a farm acreage allot-
5 ment of less than twenty-five acres if the acreage of such
6 crop of feed grains does not exceed the smaller of (A) the
7 farm base acreage determined for the farm, or (B) twenty-
8 five acres unless the operator elects in writing on a form and
9 within the time prescribed by the Secretary to be subject to
10 the farm acreage allotment and marketing quota. If the
11 operator of any such farm fails to make such election with
12 respect to any crop of feed grains, (i) for the purposes of
13 section 360h, the farm acreage allotment for such crop of
14 feed grains shall be deemed to be the smaller of (A) the
15 farm base acreage, or (B) twenty-five acres, (ii) the land-
16 use provisions of section 360j shall be inapplicable to the
17 farm, and (iii) such crop of feed grains shall not be eligible
18 for price support.

19 "REFERENDUM

20 "SEC. 360g. If a national marketing quota for feed
21 grains for one, two, or three marketing years is proclaimed,
22 the Secretary shall, not later than sixty days after such proc-
23 lamation is published in the Federal Register, conduct a
24 referendum, by secret ballot, of farmers to determine whether
25 they favor or oppose marketing quotas for the marketing

1 year or years for which proclaimed. Any producer who has
2 a feed grain base shall be eligible to vote in any referendum
3 held pursuant to this section, except a producer who has a
4 farm acreage allotment of less than twenty-five acres shall
5 not be eligible to vote unless the farm operator elected, pur-
6 suant to section 360f, to be subject to the farm acreage allot-
7 ment and marketing quota. The Secretary shall proclaim the
8 results of any referendum held hereunder within thirty days
9 after the date of such referendum, and if the Secretary
10 determines that more than one-third of the farmers voting in
11 the referendum voted against marketing quotas, the Secretary
12 shall proclaim that marketing quotas will not be in effect
13 with respect to the crop of feed grains produced for harvest
14 in the calendar year following the calendar year in which
15 the referendum is held. If the Secretary determines that two-
16 thirds or more of the farmers voting in a referendum approve
17 marketing quotas for a period of two or three marketing
18 years, no referendum shall be held for the subsequent year or
19 years of such period.

20 "COMPLIANCE

21 "SEC. 360h. (a) (1) The farm marketing quota for
22 any crop of feed grains shall be the actual production of the
23 acreage of feed grains on the farm less the farm marketing
24 excess. The farm marketing excess shall be an amount
25 equal to twice the normal production of the acreage of feed

1 grains on the farm in excess of the farm acreage allotment
2 for such crop: *Provided*, That the farm marketing excess
3 shall be an amount equal to the actual production of the
4 number of acres of feed grains on the farm in excess of the
5 farm acreage allotment for such crop, if the producer, in ac-
6 cordance with regulations issued by the Secretary and within
7 the time prescribed therein, establishes to the satisfaction of
8 the Secretary the actual production of such crop of feed grains
9 on the farm: *Provided further*, That if there is an acreage of
10 more than one feed grain on the farm, in determining which
11 acreage is in excess of the farm acreage allotment, the acre-
12 age of the feed grain or grains which has the highest value,
13 based on the normal yield of the feed grain on the farm
14 multiplied by the basic county support rate for the feed
15 grain, shall be considered as the acreage in excess of the
16 farm acreage allotment.

17 “(2) For the purposes of this section, (i) ‘actual
18 production’ of any number of acres of a feed grain on a farm
19 means the actual average yield of such feed grain on the
20 farm multiplied by the number of acres of such feed grain,
21 and (ii) ‘normal production’ of any number of acres of a
22 feed grain on a farm means the normal yield of such feed
23 grain on the farm multiplied by the number of acres of such
24 feed grain. The normal yield of any feed grain for a farm
25 shall be the average yield per acre of such feed grain on the

1 farm during the five calendar years immediately preceding
2 the year in which such normal yield is determined, adjusted
3 for abnormal weather conditions and for trends in yields.
4 If for any such year the data are not available or there is no
5 actual yield, then the normal yield for the farm shall be
6 appraised in accordance with regulations issued by the Secre-
7 tary, taking into consideration abnormal weather conditions,
8 trends in yields, the normal yield for the county, the normal
9 yields for similar or adjacent farms, and the yield in years
10 for which data are available.

11 “(3) In determining the farm marketing quota and
12 farm marketing excess, (i) any acreage of a feed grain re-
13 maining after the date prescribed by the Secretary for the
14 disposal of excess acres of such feed grain shall be included
15 as an acreage of feed grains on the farm, and the production
16 thereof shall be appraised in such manner as the Secretary
17 determines will provide a reasonably accurate estimate of
18 such production, (ii) any acreage of any feed grain classified
19 as wheat acreage pursuant to section 360i shall not be con-
20 sidered feed grain acreage, and (iii) any acreage of feed
21 grains disposed of in accordance with regulations issued by
22 the Secretary prior to such date as may be prescribed by the
23 Secretary shall be excluded in determining the farm market-
24 ing quota and farm marketing excess, and (iv) any acreage

1 of barley disposed of by grazing not later than thirty days
2 prior to the date the harvest of barley normally begins in the
3 county or the area within the county as determined by the
4 Secretary shall be excluded in determining the farm market-
5 ing quota and farm marketing excess. Marketing quotas for
6 any marketing year shall be in effect with respect to feed
7 grains harvested in the calendar year in which such market-
8 ing year begins notwithstanding that the feed grains are
9 marketed prior to the beginning of such marketing year.

10 “(b) Whenever farm marketing quotas are in effect
11 with respect to any crop of feed grains, the farm marketing
12 excess of any feed grain shall be regarded as available for
13 marketing, and the producers on a farm shall be subject
14 to a penalty on the farm marketing excess of feed grains at
15 a rate per bushel on the amount of feed grains in the farm
16 marketing excess equal to 65 per centum of the parity price
17 of the particular feed grain involved as of May 1 of the
18 calendar year in which the crop is harvested. Each pro-
19 ducer having an interest in the crop of feed grains on any
20 farm for which a farm marketing excess of feed grains is
21 determined shall be jointly and severally liable for the entire
22 amount of the penalty on the farm marketing excess.

23 “(c) If the farm marketing excess is adjusted down-
24 ward on the basis of actual production as heretofore pro-
25 vided, the difference between the amount of the penalty com-

1 puted upon the basis of twice the normal production and as
2 computed upon the basis of actual production shall be re-
3 turned to or allowed the producer.

4 “(d) Until the producers on any farm pay the penalty
5 on the farm marketing excess of any crop of feed grains, the
6 entire crop of feed grains produced on the farm and any sub-
7 sequent crop of feed grains subject to marketing quotas in
8 which the producer has an interest shall be subject to a lien
9 in favor of the United States for the amount of the penalty.

10 “(e) Until the penalty on the farm marketing excess
11 of feed grains is paid, each bushel of feed grains produced on
12 the farm shall be subject to the penalty specified in subsec-
13 tion (b) of this section, and such penalty on each bushel of
14 feed grains which is sold by the producer to any person with-
15 in the United States shall be paid by the buyer, who may
16 deduct an amount equivalent to the penalty from the price
17 paid to the producer. If the buyer fails to collect such
18 penalty, such buyer and all persons entitled to share in the
19 feed grains marketed from the farm or the proceeds thereof
20 shall be jointly and severally liable for such penalty.

21 “(f) The persons liable for the payment or collection
22 of the penalty on any amount of feed grains shall be liable
23 also for interest thereon at the rate of 6 per centum per
24 annum from the date the penalty becomes due until the
25 date of payment of such penalty.

1 “SUBSTITUTION OF WHEAT AND FEED GRAINS

2 “SEC. 360i. Notwithstanding any other provision of
3 law, the Secretary shall permit producers of wheat to have
4 acreage devoted to the production of wheat considered as
5 devoted to the production of feed grains, and producers of
6 feed grains to have acreage devoted to the production of feed
7 grains considered as devoted to the production of wheat, to
8 such extent and subject to such terms and conditions as the
9 Secretary determines will not impair the effective operation
10 of this subtitle B.

11 “LAND USE

12 “SEC. 360j. (a) (1) During any year in which mar-
13 keting quotas for feed grains are in effect, the producers on
14 any farm (except a farm for which a farm acreage allotment
15 is established pursuant to section 360d (c) (2) (C)) on
16 which any crop is produced on acreage required to be di-
17 verted from the production of feed grains shall be subject to
18 a penalty on such crop, in addition to any marketing quota
19 penalty applicable to such crop, as provided in this subsec-
20 tion, unless (i) the crop is designated by the Secretary as
21 one which is not in surplus supply and will not be in surplus
22 supply if it is permitted to be grown on the diverted acreage,
23 or as one the production of which will not substantially im-
24 pair the purpose of the requirements of this section, or (ii)
25 no feed grains are produced on the farm, and the producers

1 have not filed an agreement or a statement of intention to
2 participate in the payment program formulated pursuant to
3 subsection (b) of this section. The acreage required to be
4 diverted from the production of feed grains on the farm
5 shall be an acreage of cropland equal to the amount by which
6 the base acreage of feed grains for the farm exceeds the farm
7 acreage allotment for feed grains. The actual production of
8 any crop subject to penalty under this subsection shall be
9 regarded as available for marketing and the penalty on such
10 crop shall be computed on the actual acreage of such crop
11 at the rate of 65 per centum of the parity price per bushel,
12 as of May 1 of the calendar year in which the crop is har-
13 vested, of the feed grain determined by the Secretary to be
14 the principal feed grain produced in the county, multiplied
15 by the normal yield for such feed grain as defined in section
16 360h (a). Until the producers on any farm pay the penalty
17 on such crop, the entire crop of feed grains produced on the
18 farm and any subsequent crop of feed grains subject to mar-
19 keting quotas in which the producer has an interest shall be
20 subject to a lien in favor of the United States for the amount
21 of the penalty. Each producer having an interest in the crop
22 or crops on acreage diverted or required to be diverted from
23 the production of feed grains shall be jointly and severally
24 liable for the entire amount of the penalty. The Secretary
25 may require the penalty on the production of crops on the

1 diverted acreage to be collected by the purchaser of feed
2 grains produced on the farm. The persons liable for the
3 payment or collection of the penalty under this section shall
4 be liable also for interest thereon at the rate of 6 per centum
5 per annum from the date the penalty becomes due until the
6 date of payment of such penalty.

7 “(2) The Secretary may require that the acreage on any
8 farm diverted from the production of feed grains be land
9 which was diverted from the production of feed grains in the
10 previous year, to the extent he determines that such require-
11 ment is necessary to effectuate the purposes of this subtitle.

12 “(3) The diverted acreage shall not be grazed unless
13 the Secretary, after certification by the Governor of the State
14 in which such acreage is situated of the need for grazing on
15 such acreage, determines that it is necessary to permit graz-
16 ing thereon in order to alleviate damage, hardship, or suf-
17 fering caused by severe drought, flood, or other natural
18 disaster, and consents to such grazing.

19 “(b) The Secretary is authorized to formulate and carry
20 out a program with respect to the 1963, 1964, and
21 1965 crops of feed grains under which, subject to such terms
22 and conditions as he determines are desirable to effectuate the
23 purposes of this section, payments may be made in amounts
24 not in excess of 50 per centum of the estimated basic county
25 support rate on the normal production of the acreage di-

1 verted, taking into account the income objectives of the
2 Act, determined by the Secretary to be fair and reasonable
3 to producers with respect to acreage diverted pursuant
4 to subsection (a) of this section. The Secretary may per-
5 mit the producers on the farm to divert from the production
6 of feed grains an acreage, in addition to the acreage diverted
7 pursuant to subsection (a), equal to 20 per centum of the
8 farm acreage allotment for feed grains: *Provided*, That the
9 producers on any farm may, at their election, divert such
10 acreage, in addition to the acreage diverted pursuant to
11 subsection (a), as will bring the total acreage diverted on
12 the farm to twenty-five acres. Such program shall require
13 (1) that the diverted acreage shall be devoted to conserva-
14 tion uses approved by the Secretary; (2) that the total
15 acreage of cropland on the farm devoted to soil-conserving
16 uses, including summer fallow and idle land but excluding
17 the acreage diverted as provided above and acreage diverted
18 under the land-use provisions for wheat pursuant to section
19 339, shall not be less than the total average acreage of crop-
20 land devoted to soil-conserving uses including summer fallow
21 and idle land on the farm during the base period used in
22 determining the farm acreage allotment adjusted to the
23 extent the Secretary determines appropriate for (i) abnormal
24 weather conditions or other factors affecting production,
25 (ii) established crop-rotation practices on the farm, (iii)

1 participation in other Federal farm programs, (iv) un-
2 usually high percentage of land on the farm devoted to con-
3 serving uses, and (v) for other factors which the Secretary
4 determines should be considered for the purpose of estab-
5 lishing a fair and equitable soil-conserving acreage for the
6 farm; and (3) that the producers shall not knowingly exceed
7 (i) any farm acreage allotment in effect for any commodity
8 produced on the farm, and (ii) except as the Secretary may
9 by regulation prescribe, the farm acreage allotments on
10 any other farm for any crop in which the producer has a
11 share: *Provided*, That no producer shall be deemed to have
12 exceeded a farm acreage allotment for wheat if the entire
13 amount of the farm marketing excess of wheat is delivered
14 to the Secretary or stored in accordance with applicable reg-
15 ulations to avoid or postpone payment of the penalty: *And*
16 *provided further*, That no producer shall be deemed to have
17 exceeded a farm acreage allotment for any crop of wheat or
18 feed grains if the farm is exempt from the farm marketing
19 quota for such crop under section 335, 360f, or 360k. The
20 producer on any farm for which a farm acreage allotment
21 is established pursuant to section 360d (c) (2) (C) shall
22 not be eligible for payments hereunder. The Secretary shall
23 provide for the sharing of payment among producers on the
24 farm on a fair and equitable basis. Payments may be made
25 in cash or in feed grains.

1 “(c) The Secretary may provide for adjusting any
2 payment on account of failure to comply with the terms
3 and conditions of the program formulated under subsection
4 (b) of this section.

5 “(d) Not to exceed 50 per centum of any payment
6 to producers under subsection (b) of this section may be
7 made in advance of determination of performance.

8 “(e) The Secretary may permit the diverted acreage
9 to be devoted to the production of guar, sesame, safflower,
10 sunflower, castor beans, other annual field crops for which
11 price support is not made available, and flax, when such
12 crops are not in surplus supply and will not be in surplus
13 supply if permitted to be grown on the diverted acreage,
14 subject to the condition that payment with respect to di-
15 verted acreage devoted to any such crop shall be at the rate
16 determined by the Secretary to be fair and reasonable taking
17 into consideration the use of such acreage for the production
18 of such crops: *Provided*, That in no event shall the pay-
19 ment exceed one-half the rate which would otherwise be
20 applicable if such acreage were devoted to conservation uses
21 and no price support shall be made available for the produc-
22 tion of any such crop on such diverted acreage.

23 “(f) The program formulated pursuant to subsection
24 (b) of this section may include such terms and conditions,

1 including provision for the control of erosion, in addition to
2 those specifically provided for herein, as the Secretary deter-
3 mines are desirable to effectuate the purposes of this section.

4 “(g) The Secretary is authorized to promulgate such
5 regulations as may be desirable to carry out the provisions
6 of this section.

7 “(h) The Commodity Credit Corporation is authorized
8 to utilize its capital funds and other assets for the purpose
9 of making the payments authorized in this section and to
10 pay administrative expenses necessary in carrying out this
11 section during the period ending June 30, 1963. There is
12 authorized to be appropriated such amounts as may be
13 necessary thereafter to pay such administrative expenses.

14 “(i) Notwithstanding any other provision of law,
15 performance rendered in good faith in reliance upon action
16 or advice of an authorized representative of the Secretary
17 may be accepted as meeting the requirements of this section,
18 or of subsections (c) and (d) of section 16 of the Soil
19 Conservation and Domestic Allotment Act, as amended, and
20 payment may be made therefor in accordance with such
21 action or advice to the extent the Secretary deems is desir-
22 able in order to provide fair and equitable treatment.

23 “DEFICIT AREAS

24 “SEC. 360k. Notwithstanding any other provision of
25 this part, in any area (county, State, or region) in which

1 the Secretary determines (1) that the application of the pro-
2 visions of this Act would result in an average loss of 25 per
3 centum gross income to producers in such area, would in-
4 crease by 25 per centum the price of feed grains in
5 such area relative to other areas, and would disrupt normal
6 farming practices in such area, based on 1959-1960
7 operations, and (2) that the exception provided by
8 this section would not impair the effective opera-
9 tion of this Act, he may provide in accordance with such
10 regulations as he may prescribe that no farm marketing quota
11 (that is, production on the acreage allotment) for any crop
12 of feed grains shall be applicable to any farm in such area, if
13 the acreage of such crop of feed grains does not exceed the
14 farm base acreage determined for the farm. If the Sec-
15 retary so provides, (i) for the purposes of section 360h, the
16 farm acreage allotment for such crop of feed grains shall be
17 deemed to be the farm base acreage, (ii) the land-use pro-
18 visions of section 360j shall be inapplicable to the farm,
19 (iii) such crop of feed grains shall not be eligible for price
20 support, and (iv) the producers on such farm shall not be
21 eligible to vote in any referendum on marketing quotas for
22 such crop.

23 "AUTHORITY TO EXEMPT MALTING BARLEY

24 "SEC. 360l. Notwithstanding any other provision of
25 this part, if with respect to any crop of barley the Secretary

1 finds that there is not likely to be production of a sufficient
2 quantity of malting barley to satisfy the demand therefor,
3 subject to such terms and conditions as the Secretary shall
4 prescribe, the farm marketing quota or farm acreage allot-
5 ment for any crop of feed grains shall not be applicable to
6 malting barley on any farm, if (i) the operator elects in
7 writing on a form and within the time prescribed by the
8 Secretary to have malting barley exempt therefrom, (ii)
9 such operator has previously produced a malting variety of
10 barley, plants barley only of an acceptable malting variety
11 for harvest during the crop year, and does not knowingly
12 devote during such crop year an acreage on the farm to barley
13 in excess of 110 per centum of the acreage devoted on the
14 farm to barley in 1959 and 1960, or such later two-year
15 period determined by the Secretary to be representative, and
16 (iii) the farm base acreage and the farm acreage allotment
17 for such crop of feed grains are adjusted downward by such
18 amount as the Secretary determines appropriate to reflect
19 the exclusion of such barley from the farm acreage allot-
20 ment."

21 SEC. 302. Section 2 of the Agricultural Adjustment
22 Act of 1938, as amended, is hereby amended by striking
23 out "and" immediately following the last semicolon, by chang-
24 ing the period at the end thereof to a semicolon, and by

1 adding immediately following such new semicolon the follow-
2 ing: “and to reduce the annual carryover of feed grains, to
3 stabilize the supply of feed grains, and to provide for an ade-
4 quate and balanced flow of feed grains so that the prices of
5 feed grains are fair to producers and consumers and the total
6 supply of feed grains available for utilization for livestock feed
7 is maintained at a level which is consistent with the pro-
8 duction of the quantities of livestock and the products thereof
9 that will be consumed and exported at prices which are fair
10 to producers and consumers.”

11 SEC. 303. Section 301 of the Agricultural Adjustment
12 Act of 1938, as amended, is hereby amended as follows:

13 (1) Subsection (a) is amended by adding at the
14 end thereof the following new items:

15 “(10) The term ‘feed grains’ means corn, grain
16 sorghums, and barley.

17 “(11) The term ‘acreage of feed grains’ means
18 acreage of feed grains planted for harvest (including
19 self-seeded feed grains), but excluding the acreage of
20 feed grains harvested for silage not in excess of the acre-
21 age of feed grains harvested for silage during the base
22 period as defined in section 360d(d) if the operator of
23 the farm elects in writing to have such feed grains har-
24 vested for silage excluded. The review provisions ap-

1 plicable to marketing quotas in sections 361-367 shall
2 apply to the determination of the acreage of silage ex-
3 empt under this subsection.

4 “(12) The term ‘crop’ as applied to ‘feed grains’
5 means all of the crops of the agricultural commodities
6 which comprise feed grains and which are produced for
7 harvest in the same calendar year.”

8 (2) Subsection (b) (6) (A) is amended to read
9 as follows:

10 “(6) (A) ‘Market’, in the case of cotton, rice,
11 tobacco, wheat, and feed grains, means to dispose of, in
12 raw or processed form, by voluntary or involuntary sale,
13 barter, or exchange, or by gift inter vivos, and, in the
14 case of wheat and feed grains, by feeding (in any form)
15 to poultry or livestock which, or the products of which,
16 are sold, bartered, or exchanged, or to be so dis-
17 posed of.”

18 (3) Subsection (b) (7) is amended to read as
19 follows:

20 “(7) ‘Marketing year’ means, in the case of the
21 following commodities, the period beginning on the first
22 and ending with the second date specified below:

23 “Barley, July 1-June 30;

24 “Corn, October 1-September 30;

25 “Cotton, August 1-July 31;

1 “Grain sorghums, July 1–June 30;

2 “Peanuts, August 1–July 31;

3 “Rice, August 1–July 31;

4 “Tobacco (flue-cured), July 1–June 30;

5 “Tobacco (other than flue-cured, October 1–
6 September 30;

7 “Wheat, July 1–June 30.

8 “‘Marketing year’ means, in the case of ‘feed
9 grains’, the marketing years for the agricultural com-
10 modities comprising the feed grains.”

11 SEC. 304. Sections 361, 362, and 363 of the Agricul-
12 tural Adjustment Act of 1938, as amended, are hereby
13 amended as follows:

14 (1) Section 361 is amended by adding “feed
15 grains,” after “wheat,” and by changing the period at
16 the end of the section to a comma and adding the
17 following: “and to the review of land-use penalties
18 assessed pursuant to sections 339 and 360j.”

19 (2) Section 362 is amended by adding at the
20 end thereof the following: “Notice of the land-use
21 penalty assessed pursuant to section 339 or 360j shall
22 be mailed to the farmer.”

23 (3) Section 363 is amended by adding “or land-
24 use penalty” after the word “quota” wherever it appears
25 in such section.

1 SEC. 305. Section 372 of the Agricultural Adjustment
2 Act of 1938, as amended, is hereby amended by adding
3 “feed grains,” after “wheat,” in subsection (a) thereof.

4 SEC. 306. Sections 373, 374, and 375 of the Agri-
5 cultural Adjustment Act of 1938, as amended, are hereby
6 amended by deleting “corn” wherever it appears and by sub-
7 stituting in lieu thereof “feed grains”; and subsection (b) of
8 section 375 of the Agricultural Adjustment Act of 1938,
9 as amended, is further amended by striking out the period at
10 the end of the sentence and inserting at the end thereof the
11 following: “or to effectuate the provisions thereof.”

12 SEC. 307. Section 385 of the Agricultural Adjustment
13 Act of 1938, as amended, is hereby amended by inserting
14 in the first sentence after “Soil Conservation Act payment,”
15 the following: “payment under section 360j.”

16 SEC. 308. The amendments to the Agricultural Ad-
17 justment Act of 1938, as amended, made by sections 301
18 through 307 of this Act shall be in effect only with respect
19 to programs applicable to crops planted for harvest in the
20 calendar year 1963 or any subsequent year and to the mar-
21 keting years beginning in the calendar year 1963 or any sub-
22 sequent year.

23 SEC. 309. The Agricultural Act of 1949, as amended,
24 is amended as follows:

1 (1) By amending section 105 by deleting subsec-
2 tions (a) and (b) and substituting the following:

3 “(a) Notwithstanding the provisions of section 101 of
4 this Act, beginning with the 1963 crop—

5 “(1) if marketing quotas for any crop of corn,
6 grain sorghums, and barley are not disapproved by pro-
7 ducers, price support for corn of such crop shall be made
8 available at such level not less than 65 per centum or
9 more than 90 per centum of the parity price therefor as
10 the Secretary determines appropriate after consideration
11 of (i) the factors specified in section 401 (b) of this
12 Act, (ii) the supplies of feed grains that would be avail-
13 able during the marketing year at prices approximating
14 the support prices of feed grains, and (iii) consumption
15 goals during the marketing year for livestock and live-
16 stock products, taking into consideration consumption
17 under special governmental programs, and imports and
18 exports of livestock and livestock products.

19 “(2) if marketing quotas for any crop of corn,
20 grain sorghums, and barley are disapproved by pro-
21 ducers, price support for corn of such crop shall be at
22 such level not to exceed 50 per centum of the parity
23 price therefor as the Secretary determines appropriate

1 after consideration of the factors specified in section
2 401 (b) .

3 “(3) price support for each crop of barley and
4 grain sorghums, respectively, shall be at such level as
5 the Secretary determines is fair and reasonable in rela-
6 tion to the level at which price support is made avail-
7 able for corn, taking into consideration the feeding value
8 of such feed grain in relation to corn and the other fac-
9 tors specified in section 401 (b) of this Act.

10 “(4) price support for corn, grain sorghums, and
11 barley shall be made available only to cooperators.

12 “(5) if marketing quotas are in effect for the crop
13 of corn, grain sorghums, and barley, a ‘cooperator’ with
14 respect to any such feed grain produced on a farm shall
15 be a producer who (i) does not knowingly exceed (A)
16 the farm acreage allotment for feed grains or any other
17 commodity on the farm or (B) except as the Secretary
18 may by regulation prescribe, the farm acreage allotment
19 on any other farm for any commodity in which he has
20 an interest as a producer, and (ii) complies with the
21 land-use requirements of section 360j of the Agricultural
22 Adjustment Act of 1938, as amended, to the extent pre-
23 scribed by the Secretary. If marketing quotas are not
24 in effect for the crop of corn, grain sorghums, and
25 barley, a ‘cooperator’ with respect to any crop of corn,

1 grain sorghums, and barley produced on a farm shall be
2 a producer who does not knowingly exceed the farm
3 acreage allotment for feed grains. No producer shall
4 be deemed to have exceeded a farm acreage allotment
5 for wheat if the entire amount of the farm marketing
6 excess of wheat is delivered to the Secretary or stored
7 in accordance with applicable regulations to avoid or
8 postpone payment of the penalty, but the producer shall
9 not be eligible to receive price support on such farm
10 marketing excess. No producer shall be deemed to have
11 exceeded the farm acreage allotment for wheat on the
12 farm, or the farm acreage allotment for wheat or feed
13 grains on any other farm, if such farm is exempt from
14 the farm marketing quota for such crop under section
15 335, 360f, or 360k of the Agricultural Adjustment Act
16 of 1938, as amended.”

17 (2) By amending section 105 by redesignating
18 subsection (c) thereof as subsection (b).

19 (3) By amending section 401 by inserting after the
20 comma before “(2)” the following: “(2) the income
21 needed to provide a farm operator and his family with
22 a return for his labor and investment equal to the return
23 earned by comparable resources in other occupations”,
24 and by renumbering (2), (3), (4), (5), (6), (7),

1 and (8) as (3), (4), (5), (6), (7), (8), and (9),
2 respectively.

3 (4) By adding at the end of section 407 the fol-
4 lowing: "Notwithstanding any other provision hereof,
5 (i) if a marketing quota for feed grains for any market-
6 ing year is disapproved by producers, the Commodity
7 Credit Corporation may sell for unrestricted use from
8 its stocks during such marketing year not to exceed ten
9 million tons, or the equivalent in bushels, of feed grains
10 at not less than 2 per centum above the current support
11 price for such commodity, plus reasonable carrying
12 charges, (ii) if a marketing quota for wheat for any
13 marketing year is disapproved by producers, the Com-
14 modity Credit Corporation may sell for unrestricted use
15 from its stocks during the marketing year not to exceed
16 two hundred million bushels of wheat at not less than 2
17 per centum above the current support price for such
18 commodity, plus reasonable carrying charges."

19 SUBTITLE B—WHEAT

20 SEC. 310. Section 331 of the Agricultural Adjustment
21 Act of 1938, as amended, is hereby amended by striking out
22 the last paragraph thereof and inserting in lieu thereof the
23 following paragraphs:

24 "Wheat which is planted and not disposed of prior to the
25 date prescribed by the Secretary for the disposal of excess

1 acres of wheat is an addition to the total supply of wheat
2 and has a direct effect on the price of wheat in interstate and
3 foreign commerce and may also affect the supply and price
4 of livestock and livestock products. In the circumstances,
5 wheat not disposed of prior to such date must be considered
6 in the same manner as mechanically harvested wheat in order
7 to achieve the policy of the Act.

8 "The diversion of substantial acreages from wheat to
9 the production of commodities which are in surplus supply or
10 which will be in surplus supply if they are permitted to be
11 grown on the diverted acreage would burden, obstruct, and
12 adversely affect interstate and foreign commerce in such
13 commodities, and would adversely affect the prices of such
14 commodities in interstate and foreign commerce. Small
15 changes in the supply of a commodity could create a sufficient
16 surplus to affect seriously the price of such commodity in
17 interstate and foreign commerce. Large changes in the sup-
18 ply of such commodity could have a more acute effect on the
19 price of the commodity in interstate and foreign commerce
20 and, also, could overtax the handling, processing, and trans-
21 portation facilities through which the flow of interstate and
22 foreign commerce in such commodity is directed. Such ad-
23 verse effects caused by overproduction in one year could
24 further result in a deficient supply of the commodity in the
25 succeeding year, causing excessive increases in the price of

1 the commodity in interstate and foreign commerce in such
2 year. It is, therefore, necessary to prevent acreage diverted
3 from the production of wheat to be used to produce commodi-
4 ties which are in surplus supply or which will be in surplus
5 supply if they are permitted to be grown on the diverted
6 acreage.

7 "The provisions of this part affording a cooperative
8 plan to wheat producers are necessary in order to mini-
9 mize recurring surpluses and shortages of wheat in inter-
10 state and foreign commerce, to provide for the maintenance of
11 adequate reserve supplies thereof, to provide for an adequate
12 and orderly flow of wheat and its products in interstate and
13 foreign commerce at prices which are fair and reasonable
14 to farmers and consumers, and to prevent acreage diverted
15 from the production of wheat from adversely affecting other
16 commodities in interstate and foreign commerce."

17 SEC. 311. Section 332 of the Agricultural Adjustment
18 Act of 1938, as amended, is hereby amended by striking out
19 the provisions of such section and by inserting in lieu thereof
20 the following:

21 "NATIONAL MARKETING QUOTA

22 "SEC. 332. (a) Whenever prior to April 15 in any
23 calendar year the Secretary determines that the total supply
24 of wheat in the marketing year beginning in the next succeed-
25 ing calendar year will, in the absence of a marketing quota

1 program, likely be excessive, the Secretary shall proclaim
2 that a national marketing quota for wheat shall be in effect for
3 such marketing year and for either the following marketing
4 year or the following two marketing years, if the Secretary
5 determines and declares in such proclamation that a two-
6 or three-year marketing quota program is necessary to effec-
7 tuate the policy of the Act.

8 “(b) If a national marketing quota for wheat has been
9 proclaimed for any marketing year, the Secretary shall
10 determine and proclaim the amount of the national market-
11 ing quota for such marketing year not earlier than January 1
12 or later than April 15 of the calendar year preceding the
13 year in which such marketing year begins. The amount of
14 the national marketing quota for wheat for any marketing
15 year shall be an amount of wheat which the Secretary esti-
16 mates (i) will be utilized during such marketing year for
17 human consumption in the United States as food, food prod-
18 ucts, and beverages, composed wholly or partly of wheat,
19 (ii) will be utilized during such marketing year in the United
20 States for seed, (iii) will be exported either in the form of
21 wheat or products thereof, and (iv) as the average amount
22 which was utilized as livestock (including poultry) feed in
23 the marketing years beginning in 1959 and 1960; less (A)
24 an amount of wheat equal to the estimated imports of wheat
25 into the United States during such marketing year and, (B)

1 if the stocks of wheat owned by the Commodity Credit Cor-
2 poration are determined by the Secretary to be excessive, an
3 amount of wheat determined by the Secretary to be a desir-
4 able reduction in such marketing year in such stocks to
5 achieve the policy of the Act: *Provided*, That if the Secre-
6 tary determines that the total stocks of wheat in the Nation
7 are insufficient to assure an adequate carryover for the next
8 succeeding marketing year, the national marketing quota
9 otherwise determined shall be increased by the amount the
10 Secretary determines to be necessary to assure an adequate
11 carryover: *And provided further*, That the national market-
12 ing quota for wheat for any marketing year shall be not less
13 than one billion bushels.

14 “(c) If, after the proclamation of a national marketing
15 quota for wheat for any marketing year, the Secretary has
16 reason to believe that, because of a national emergency or
17 because of a material increase in the demand for wheat, the
18 national marketing quota should be terminated or the amount
19 thereof increased, he shall cause an immediate investigation
20 to be made to determine whether such action is necessary
21 in order to meet such emergency or increase in the demand
22 for wheat. If, on the basis of such investigation, the Secre-
23 tary finds that such action is necessary, he shall immediately
24 proclaim such finding and the amount of any such increase

1 found by him to be necessary and thereupon such national
2 marketing quota shall be so increased or terminated. In case
3 any national marketing quota is increased under this sub-
4 section, the Secretary shall provide for such increase by
5 increasing acreage allotments established under this part by a
6 uniform percentage.”

7 SEC. 312. Section 333 of the Agricultural Adjustment
8 Act of 1938, as amended, is hereby amended to read as fol-
9 lows:

10 “NATIONAL ACREAGE ALLOTMENT

11 “SEC. 333. Whenever the amount of the national
12 marketing quota for wheat is proclaimed for any marketing
13 year, the Secretary at the same time shall proclaim a na-
14 tional acreage allotment for the crop of wheat planted for
15 harvest in the calendar year in which such marketing year
16 begins. The amount of the national acreage allotment for
17 any crop of wheat shall be the number of acres which the
18 Secretary determines on the basis of expected yields and
19 expected underplantings of farm acreage allotments will,
20 together with (1) the expected production on the increases
21 in acreage allotments for farms based upon small-farm base
22 acreages pursuant to section 335, and (2) the expected pro-
23 duction on increased acreages resulting from the small-farm

1 exemption pursuant to section 335, make available a supply
2 of wheat equal to the national marketing quota for wheat
3 for such marketing year.”

4 SEC. 313. Section 334 of the Agricultural Adjustment
5 Act of 1938, as amended, is further amended as follows:

6 (1) By amending subsection (e) thereof by strik-
7 ing out in the first sentence thereof “any of the 1962,
8 1963, and 1964 crops” and inserting in lieu thereof
9 “the 1962 crop”.

10 (2) By repealing subsection (g) thereof and by
11 redesignating subsections (h) and (i) thereof as (g)
12 and (h) respectively.

13 (3) By amending subsection (i) thereof, redesign-
14 nated by this section as subsection (h), by inserting the
15 following sentence immediately following the seventh
16 sentence thereof: “The land-use provisions of section 339
17 shall not be applicable to any farm receiving an addi-
18 tional allotment under this subsection.”

19 (4) By striking out of the last sentence of sub-
20 section (i) thereof (added by Public Law 87-357, 87th
21 Congress, 1st session), redesignated by this section as
22 subsection (h), “or 1963”.

23 (5) by adding at the end thereof the following
24 new subsection:

25 “(i) If, with respect to any crop of wheat, the Secretary

1 finds that the acreage allotments of farms producing any
2 kind of wheat are inadequate to provide for the
3 production of a sufficient quantity of such kind of wheat
4 to satisfy the demand therefor, the wheat acreage allotment
5 for such crop for each farm located in a county designated by
6 the Secretary as a county which (1) is capable of producing
7 such kind of wheat, and (2) has produced such kind of
8 wheat for commercial food products during one or more of
9 the five years immediately preceding the year in which such
10 crop is harvested, shall be increased by such uniform per-
11 centage as he deems necessary to provide for such quantity.
12 No increase shall be made under this subsection in the wheat
13 acreage allotment of any farm for any crop if any wheat
14 other than such kind of wheat is planted on such farm for such
15 crop. Any increases in wheat acreage allotments author-
16 ized by this subsection shall be in addition to the National,
17 State, and county wheat acreage allotments, and such in-
18 creases shall not be considered in establishing future State,
19 county, and farm allotments. The provisions of paragraph
20 (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C.
21 1340 (6)), and section 326 (b) of this Act, relating to the
22 reduction of the storage amount of wheat shall apply to the
23 allotment for the farm established without regard to this sub-
24 section and not to the increased allotment under this subsec-
25 tion. The land-use provisions of section 339 shall not be

1 applicable to any farm receiving an increased allotment under
2 this subsection and the producers on such farms shall not
3 be required to comply with such provisions as a condition of
4 eligibility for price support.”

5 SEC. 314. Part III of subtitle B of title III of the Agri-
6 cultural Adjustment Act of 1938, as amended, is hereby
7 amended by adding immediately after section 334 thereof
8 the following:

9 “COMMERCIAL AREA

10 “SEC. 334a. If the acreage allotment for any State for
11 any crop of wheat is twenty-five thousand acres or less, the
12 Secretary, in order to promote efficient administration of this
13 Act and the Agricultural Act of 1949, may designate such
14 State as outside the commercial wheat-producing area for
15 the marketing year for such crop. If such State is so desig-
16 nated, acreage allotments for such crop and marketing quotas
17 for the marketing year therefor shall not be applicable to any
18 farm in such State. Acreage allotments in any State shall
19 not be increased by reason of such designation.”

20 SEC. 315. Section 335 of the Agricultural Adjustment
21 Act of 1938, as amended, is hereby amended to read as
22 follows:

23 “SMALL FARM EXEMPTION

24 “SEC. 335. Notwithstanding any other provision of this
25 part, no farm marketing quota for any crop of wheat shall

1 be applicable to any farm with a farm acreage allotment of
2 less than fifteen acres if the acreage of such crop of wheat
3 does not exceed the small-farm base acreage determined for
4 the farm, unless the operator elects in writing on a form and
5 within the time prescribed by the Secretary to be subject to
6 the farm acreage allotment and marketing quota. The small-
7 farm base acreage for a farm shall be the smaller of (A) the
8 average acreage of the crop of wheat planted for harvest in
9 the three years in which the acreage was highest during the
10 five-year period 1957–1961, or such later five-year period
11 determined by the Secretary to be representative, with ad-
12 justments for abnormal weather conditions, established crop-
13 rotation practices on the farm, and such other factors as the
14 Secretary determines should be considered for the purpose
15 of establishing a fair and equitable small-farm base acreage,
16 or (B) fifteen acres. The acreage allotment for any farm
17 shall be the larger of (1) the small-farm base acreage deter-
18 mined as provided above on the basis of the five-year period
19 1957–1961, reduced by the same percentage by which the
20 national acreage allotment for the crop is reduced below
21 fifty-five million acres, or (2) the acreage allotment
22 determined without regard to (1) above. If the opera-
23 tor of any such farm fails to make such election with respect
24 to any crop of wheat, (i) for the purposes of Public Law
25 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended,

1 the farm acreage allotment for such crop of wheat shall be
2 deemed to be the larger of (A) the small-farm base acreage
3 or (B) the acreage allotment for the farm, (ii) the land-use
4 provisions of section 339 shall be inapplicable to the farm,
5 (iii) such crop of wheat shall not be eligible for price sup-
6 port, and (iv) wheat marketing certificates applicable to
7 such crop shall not be issued with respect to the farm. The
8 additional acreage required to provide acreage allotments for
9 farms based upon small-farm base acreages under this sec-
10 tion shall be in addition to National, State, and county acre-
11 age allotments.”

12 SEC. 316. Section 336 of the Agricultural Adjustment
13 Act of 1938, as amended, is hereby amended to read as
14 follows:

15 “REFERENDUM

16 “SEC. 336. If a national marketing quota for wheat
17 for one, two, or three marketing years is proclaimed, the
18 Secretary shall, not later than sixty days after such proclama-
19 tion is published in the Federal Register, conduct a referen-
20 dum, by secret ballot, of farmers to determine whether they
21 favor or oppose marketing quotas for the marketing year or
22 years for which proclaimed. Any producer who has a farm
23 acreage allotment shall be eligible to vote in any referendum
24 held pursuant to this section, except that a producer who has
25 a farm acreage allotment of less than fifteen acres shall not

1 be eligible to vote unless the farm operator elected pursuant
2 to section 335 to be subject to the farm marketing quota. The
3 Secretary shall proclaim the results of any referendum held
4 hereunder within thirty days after the date of such referen-
5 dum, and if the Secretary determines that more than one-
6 third of the farmers voting in the referendum voted against
7 marketing quotas, the Secretary shall proclaim that market-
8 ing quotas will not be in effect with respect to the crop of
9 wheat produced for harvest in the calendar year following
10 the calendar year in which the referendum is held. If the
11 Secretary determines that two-thirds or more of the farmers
12 voting in a referendum approve marketing quotas for a period
13 of two or three marketing years, no referendum shall be held
14 for the subsequent year or years of such period.”

15 SEC. 317. Section 337 of the Agricultural Adjustment
16 Act of 1938, as amended, is hereby repealed.

17 SEC. 318. The Agricultural Adjustment Act of 1938,
18 as amended, is hereby amended by adding after section 338 a
19 new section as follows:

20 “LAND USE

21 “SEC. 339. (a) (1) During any year in which market-
22 ing quotas for wheat are in effect, the producers on any farm
23 (except a new farm receiving an allotment from the reserve
24 for new farms) on which any crop is produced on acreage
25 required to be diverted from the production of wheat shall

1 be subject to a penalty on such crop, in addition to any
2 marketing quota penalty applicable to such crops, as pro-
3 vided in this subsection unless (i) the crop is designated by
4 the Secretary as one which is not in surplus supply and will
5 not be in surplus supply if it is permitted to be grown on the
6 diverted acreage, or as one the production of which will not
7 substantially impair the purpose of the requirements of this
8 section, or (2) no wheat is produced on the farm, and the
9 producers have not filed an agreement or a statement of
10 intention to participate in the payment program formulated
11 pursuant to subsection (b) of this section. The acreage
12 required to be diverted from the production of wheat on the
13 farm shall be an acreage of cropland equal to the number
14 of acres determined by multiplying the farm acreage allot-
15 ment by the diversion factor determined by dividing the
16 number of acres by which the national acreage allotment is
17 reduced below fifty-five million acres by the number of acres
18 in the national acreage allotment. The actual production of
19 any crop subject to penalty under this subsection shall be
20 regarded as available for marketing and the penalty on such
21 crop shall be computed on the actual acreage of such crop
22 at the rate of 65 per centum of the parity price per bushel
23 of wheat as of May 1 of the calendar year in which such
24 crop is harvested, multiplied by the normal yield of wheat
25 per acre established for the farm. Until the producers on

1 any farm pay the penalty on such crop, the entire crop of
2 wheat produced on the farm and any subsequent crop of
3 wheat subject to marketing quotas in which the producer
4 has an interest shall be subject to a lien in favor of the United
5 States for the amount of the penalty. Each producer having
6 an interest in the crop or crops on acreage diverted or
7 required to be diverted from the production of wheat shall
8 be jointly and severally liable for the entire amount of the
9 penalty. The persons liable for the payment or collection of
10 the penalty under this section shall be liable also for interest
11 thereon at the rate of 6 per centum per annum from the date
12 the penalty becomes due until the date of payment of such
13 penalty.

14 “(2) The Secretary may require that the acreage on
15 any farm diverted from the production of wheat be land
16 which was diverted from the production of wheat in the
17 previous year, to the extent he determines that such require-
18 ment is necessary to effectuate the purposes of this subtitle.

19 “(3) The Secretary may permit the diverted acreage
20 to be grazed in accordance with regulations prescribed by
21 the Secretary.

22 “(b) The Secretary is authorized to formulate and carry
23 out a program with respect to the 1963, 1964, and 1965
24 crops of wheat under which, subject to such terms and con-
25 ditions as he determines are desirable to effectuate the pur-

1 poses of this section, payments may be made in amounts
2 not in excess of 50 per centum of the estimated basic county
3 support rate on the normal production of the acreage diverted
4 taking into account the income objectives of the Act, de-
5 termined by the Secretary to be fair and reasonable with
6 respect to acreage diverted pursuant to subsection (a) of this
7 section. The Secretary may permit producers on any farm
8 to divert from the production of wheat an acreage, in addi-
9 tion to the acreage diverted pursuant to subsection (a),
10 equal to 20 per centum of the farm acreage allotment for
11 wheat: *Provided*, That the producers on any farm may, at
12 their election, divert such acreage in addition to the acreage
13 diverted pursuant to subsection (a), as will bring the total
14 acreage diverted on the farm to fifteen acres. Such program
15 shall require (1) that the diverted acreage shall be devoted
16 to conservation uses approved by the Secretary; (2) that the
17 total acreage of cropland on the farm devoted to soil-
18 conserving uses, including summer fallow and idle land but
19 excluding the acreage diverted as provided above, and acre-
20 age diverted under section 16 (g) of the Soil Conservation
21 and Domestic Allotment Act shall be not less than the total
22 average acreage of cropland devoted to soil-conserving uses
23 including summer fallow and idle land on the farm during
24 a representative period, as determined by the Secretary,

1 adjusted to the extent the Secretary determines appropriate
2 for (i) abnormal weather conditions or other factors affecting
3 production, (ii) established crop-rotation practices on the
4 farm, (iii) participation in other Federal farm programs,
5 (iv) unusually high percentage of land on the farm devoted
6 to conserving uses, and (v) other factors which the Secre-
7 tary determines should be considered for the purpose of
8 establishing a fair and equitable soil-conserving acreage for
9 the farm; and (3) that the producer shall not knowingly
10 exceed (i) any farm acreage allotment in effect for any
11 commodity produced on the farm, and (ii) except as the
12 Secretary may by regulations prescribe, with the farm acre-
13 age allotments on any other farm for any crop in which the
14 producer has a share: *Provided*, That no producer shall be
15 deemed to have exceeded a farm acreage allotment for wheat
16 if the entire amount of the farm marketing excess is delivered
17 to the Secretary or stored in accordance with applicable
18 regulations to avoid or postpone payment of the penalty:
19 *And provided further*, That no producer shall be deemed to
20 have exceeded a farm acreage allotment for any crop of
21 wheat or feed grains if the farm is exempt from the farm
22 marketing quota for such crop under section 335, 360f, or
23 360k. The producers on a new farm shall not be eligible for
24 payments hereunder. The Secretary shall provide for the

1 sharing of payment among producers on the farm on a fair
2 and equitable basis. Payments may be made in cash or in
3 wheat.

4 “(c) The Secretary may provide for adjusting any pay-
5 ment on account of failure to comply with the terms and
6 conditions of the land-use program formulated under sub-
7 section (b) of this section.

8 “(d) Not to exceed 50 per centum of any payment to
9 producers under subsection (b) of this section may be made
10 in advance of determination of performance.

11 “(e) The Secretary may permit the diverted acreage to
12 be devoted to the production of guar, sesame, safflower, sun-
13 flower, castor beans, other annual field crops for which price
14 support is not made available, and flax, when such crops are
15 not in surplus supply and will not be in surplus supply if
16 permitted to be grown on the diverted acreage, subject to the
17 condition that payment with respect to diverted acreage de-
18 voted to any such crop shall be at a rate determined by the
19 Secretary to be fair and reasonable taking into consideration
20 the use of such acreage for the production of such crops:
21 *Provided*, That in no event shall the payment exceed one-
22 half the rate which would otherwise be applicable if such
23 acreage were devoted to conservation uses and no price sup-

1 port shall be made available for the production of any such
2 crop on such diverted acreage.

3 “(f) The program formulated pursuant to subsection
4 (b) of this section may include such terms and conditions,
5 in addition to those specifically provided for herein, as the
6 Secretary determines are desirable to effectuate the purposes
7 of this section.

8 “(g) The Secretary is authorized to promulgate such
9 regulations as may be desirable to carry out the provisions of
10 this section.

11 “(h) The Commodity Credit Corporation is authorized
12 to utilize its capital funds and other assets for the purpose of
13 making the payments authorized in this section and to pay
14 administrative expenses necessary in carrying out this sec-
15 tion during the period ending June 30, 1963. There is
16 authorized to be appropriated such amounts as may be
17 necessary thereafter to pay such administrative expenses.

18 “(i) Notwithstanding any other provision of law, per-
19 formance rendered in good faith in reliance upon action or
20 advice of an authorized representative of the Secretary may
21 be accepted as meeting the requirements of this section, or of
22 section 124 of the Agricultural Act of 1961 (75 Stat. 297-
23 298), and payment may be made therefor in accordance with

1 such action or advice to the extent the Secretary deems it
2 desirable in order to provide fair and equitable treatment.”

3 SEC. 319. Public Law 74, Seventy-seventh Congress (7
4 U.S.C. 1340), as amended, is hereby amended as follows:

5 (1) By amending paragraph (1) to read as fol-
6 lows:

7 “(1) The farm marketing quota for any crop of
8 wheat shall be the actual production of the acreage
9 planted to such crop of wheat on the farm less the farm
10 marketing excess. The farm marketing excess shall be
11 an amount equal to twice the normal yield of wheat per
12 acre established for the farm multiplied by the number
13 of acres of such crop of wheat on the farm in excess of
14 the farm acreage allotment for such crop unless the pro-
15 ducer, in accordance with regulations issued by the Sec-
16 retary and within the time prescribed therein, establishes
17 to the satisfaction of the Secretary the actual production
18 of such crop of wheat on the farm. If such actual pro-
19 duction is so established, the farm marketing excess shall
20 be an amount equal to the actual production of the num-
21 ber of acres of wheat on the farm in excess of the farm
22 acreage allotment for such crop. In determining the
23 farm marketing quota and farm marketing excess, any
24 acreage of wheat remaining after the date prescribed
25 by the Secretary for the disposal of excess acres of wheat

1 shall be included as acreage of wheat on the farm, and
2 the production thereof shall be appraised in such manner
3 as the Secretary determines will provide a reasonably
4 accurate estimate of such production. Any acreage of
5 wheat disposed of in accordance with regulations issued
6 by the Secretary prior to such date as may be pre-
7 scribed by the Secretary shall be excluded in determin-
8 ing the farm marketing quota and farm marketing excess.
9 Self-seeded (volunteer) wheat shall be included in de-
10 termining the acreage of wheat. Marketing quotas for
11 any marketing year shall be in effect with respect to
12 wheat harvested in the calendar year in which such mar-
13 keting year begins notwithstanding that the wheat is
14 marketed prior to the beginning of such marketing
15 year.”

16 (2) By amending paragraph (2) to read as fol-
17 lows:

18 “(2) Whenever farm marketing quotas are in effect
19 with respect to any crop of wheat, the producers on a
20 farm shall be subject to a penalty on the farm marketing
21 excess of wheat at a rate per bushel equal to 65
22 per centum of the parity price per bushel of wheat as of
23 May 1 of the calendar year in which the crop is har-
24 vested. Each producer having an interest in the crop
25 of wheat on any farm for which a farm marketing excess

1 of wheat is determined shall be jointly and severally
2 liable for the entire amount of the penalty on the farm
3 marketing excess."

4 (3) By inserting in paragraph (3) "twice" before
5 "the normal production" in the first and second sentences
6 thereof, and by inserting in the second sentence thereof
7 "twice the" between "of" and "normal" in the phrase
8 "upon the basis of normal production", by striking out
9 "corn and" from the first sentence thereof, and by strik-
10 ing out "corn or" from the last sentence thereof.

11 (4) By amending paragraph (4) to read as fol-
12 lows:

13 " (4) Until the producers on any farm store, deliver
14 to the Secretary, or pay the penalty on, the farm mar-
15 keting excess of any crop of wheat, the entire crop of
16 wheat produced on the farm and any subsequent crop of
17 wheat subject to marketing quotas in which the producer
18 has an interest shall be subject to a lien in favor of the
19 United States for the amount of the penalty."

20 (5) By striking out "corn or" from paragraph (5).

21 (6) By striking out "corn or" from paragraph (6).

22 (7) By repealing paragraph (7), and by renum-
23 bering paragraphs (8) through (11) as (7) through
24 (10), respectively.

25 (8) By striking out "corn or" and ", as the case

1 may be," from paragraph (8), redesignated by this
2 section as paragraph (7), and adding at the end of
3 such paragraph the following sentence: "If the buyer
4 fails to collect such penalty, such buyer and all persons
5 entitled to share in the wheat marketed from the farm or
6 the proceeds thereof shall be jointly and severally liable
7 for such penalty."

8 (9) By repealing paragraph (12), and by adding
9 the following new paragraphs to follow paragraph (11),
10 redesignated by this section as paragraph (10):

11 "(11) The persons liable for the payment or col-
12 lection of the penalty on any amount of wheat shall
13 be liable also for interest thereon at the rate of 6 per
14 centum per annum from the date the penalty becomes
15 due until the date of payment of such penalty.

16 "(12) If marketing quotas for wheat are not in
17 effect for any marketing year, all previous marketing
18 quotas applicable to wheat shall be terminated, effective
19 as of the first day of such marketing year. Such termi-
20 nation shall not abate any penalty previously incurred
21 by a producer or relieve any buyer of the duty to remit
22 penalties previously collected by him."

23 SEC. 320. Section 301 (b) (13) of the Agricultural
24 Adjustment Act of 1938, as amended, is amended—

25 (1) by striking out paragraph (A);

1 (2) by inserting in paragraphs (D) and (E) after
2 the words "in the case of rice" the words "and wheat"
3 and by inserting in said paragraphs after the words "per
4 acre of rice" the following: "or wheat, as the case may
5 be,";

6 (3) by striking from paragraph (G) the following:
7 (A) "wheat," in each of the two places it first occurs
8 therein; (B) "and, in the case of wheat, but not in the
9 case of corn, cotton, or peanuts, for trends in yields";
10 (C) "ten calendar years in the case of wheat, and"; and
11 (D) "in the case of corn, cotton, or peanuts,".

12 SEC. 321. Section 371 of the Agricultural Adjustment
13 Act of 1938, as amended, is hereby amended as follows:

14 (1) Subsection (a) is amended by deleting "corn,
15 wheat," in the first sentence thereof.

16 (2) The first sentence of subsection (b) is amended
17 by striking out "any national acreage allotment for corn
18 or", "wheat," and "in order to effect the declared policy
19 of this Act or".

20 SEC. 322. Section 385 of the Agricultural Adjustment
21 Act of 1938, as amended, is hereby amended by inserting in
22 the first sentence after "parity payment," the following:
23 "payment under section 339,".

24 SEC. 323. The amendments to the Agricultural Adjust-
25 ment Act of 1938, as amended, and to Public Law 74,

1 Seventy-seventh Congress, as amended, made by sections 310
2 through 322 of this Act shall be in effect only with respect to
3 programs applicable to the crops planted for harvest in the
4 calendar year 1963 or any subsequent year and the market-
5 ing years beginning in the calendar year 1963, or any sub-
6 sequent year.

7 WHEAT MARKETING ALLOCATION PROGRAM

8 SEC. 324. Title III of the Agricultural Adjustment Act
9 of 1938, as amended, is hereby amended (1) by designating
10 subtitles D and E as subtitles E and F, respectively, and (2)
11 by inserting after subtitle C a new subtitle D as follows:

12 “SUBTITLE D—WHEAT MARKETING ALLOCATION

13 “LEGISLATIVE FINDINGS

14 “SEC. 379a. Wheat, in addition to being a basic food,
15 is one of the great export crops of American agriculture and
16 its production for domestic consumption and for export is
17 necessary to the maintenance of a sound national economy
18 and to the general welfare. The movement of wheat from
19 producer to consumer, in the form of the commodity or any
20 of the products thereof, is preponderantly in interstate and
21 foreign commerce. Unreasonably low prices of wheat to
22 producers impair their purchasing power for nonagricultural
23 products and place them in a position of serious disparity
24 with other industrial groups. The conditions affecting the
25 production of wheat are such that without Federal assist-

1 ance, producers cannot effectively prevent disastrously low
2 prices for wheat. It is necessary, in order to assist wheat
3 producers in obtaining fair prices, to regulate the price of
4 wheat used for domestic food and for exports in the manner
5 provided in this subtitle.

6 “WHEAT MARKETING ALLOCATION

7 “SEC. 379b. During any marketing year for which a
8 marketing quota is in effect for wheat, beginning with the
9 marketing year for the 1963 crop, a wheat marketing allo-
10 cation program shall be in effect as provided in this subtitle.
11 Whenever a wheat marketing allocation program is in effect
12 for any marketing year the Secretary shall determine (1)
13 the wheat marketing allocation for such year which shall
14 be the amount of wheat which will be used during such year
15 for human consumption in the United States, as food, food
16 products, and beverages, composed wholly or partly of wheat,
17 and that portion of the amount of wheat which will be
18 exported in the form of wheat or products thereof during the
19 marketing year on which the Secretary determines that
20 marketing certificates shall be issued to producers in order to
21 achieve, insofar as practicable, the price and income objec-
22 tives of this subtitle, and (2) the national allocation per-
23 centage which shall be the percentage which the national
24 marketing allocation is of the national marketing quota.
25 Each farm shall receive a wheat marketing allocation for

1 such marketing year equal to the number of bushels obtained
2 by multiplying the number of acres in the farm acreage
3 allotment for wheat by the normal yield of wheat for the
4 farm as determined by the Secretary, and multiplying the
5 resulting number of bushels by the national allocation per-
6 centage. If a noncommercial wheat-producing area is estab-
7 lished for any marketing year, farms in such area shall be
8 given wheat marketing allocations which are determined by
9 the Secretary to be fair and reasonable in relation to the
10 wheat marketing allocation given producers in the commer-
11 cial wheat-producing area.

12 "MARKETING CERTIFICATES

13 "SEC. 379c. (a) The Secretary shall provide for the is-
14 suance of wheat marketing certificates for each marketing
15 year for which a wheat marketing allocation program is in
16 effect for the purpose of enabling producers on any farm with
17 respect to which certificates are issued to receive, in addition
18 to the other proceeds from the sale of wheat, an amount equal
19 to the value of such certificates. The wheat marketing cer-
20 tificates issued with respect to any farm for any marketing
21 year shall be in the amount of the farm wheat marketing
22 allocation for such year, but not to exceed (i) the actual
23 acreage of wheat planted on the farm for harvest in the
24 calendar year in which the marketing year begins multiplied
25 by the normal yield of wheat for the farm, plus (ii) the

1 amount of wheat stored to avoid or postpone a marketing
2 quota penalty, which is released from storage during the
3 marketing year on account of underplanting or underproduc-
4 tion. The Secretary shall provide for the sharing of wheat
5 marketing certificates among producers on the farm on the
6 basis of their respective shares in the wheat crop produced
7 on the farm, or the proceeds therefrom.

8 “(b) No producer shall be eligible to receive wheat
9 marketing certificates with respect to any farm for any
10 marketing year in which a marketing quota penalty is
11 assessed for any commodity on such farm or in which the
12 farm has not complied with the land-use requirements of
13 section 339 to the extent prescribed by the Secretary, or in
14 which, except as the Secretary may by regulation prescribe,
15 the producer exceeds the farm acreage allotment on any
16 other farm for any commodity in which he has an interest
17 as a producer. No producer shall be deemed to have ex-
18 ceeded a farm acreage allotment for wheat if the entire
19 amount of the farm marketing excess is delivered to the
20 Secretary or stored in accordance with applicable regulations
21 to avoid or postpone payment of the penalty. No producer
22 shall be deemed to have exceeded the farm acreage allotment
23 for feed grains on the farm, or the farm acreage allotment
24 for wheat or feed grains on any other farm, if such farm is

1 exempt from the farm marketing quota for such crop under
2 section 335, 360f or 360k.

3 “(c) Whenever a wheat marketing allocation program
4 is in effect for any marketing year, the Secretary shall
5 determine and proclaim for such marketing year the face
6 value per bushel of marketing certificates. The face value
7 per bushel of marketing certificates shall be equal to the
8 amount by which the level of price support for wheat accom-
9 panied by certificates exceeds the level of price support for
10 wheat not accompanied by certificates (noncertificate
11 wheat).

12 “(d) Marketing certificates and transfers thereof shall
13 be represented by such documents, marketing cards, records,
14 accounts, certifications, or other statements or forms as the
15 Secretary may prescribe.

16 “MARKETING RESTRICTIONS

17 “SEC. 379d. (a) All persons are prohibited from acquir-
18 ing marketing certificates from the producer to whom such
19 certificates are issued, unless such certificates are acquired in
20 connection with the acquisition from such producer of a num-
21 ber of bushels of wheat equivalent to the marketing certifi-
22 cates. Marketing certificates shall be transferable only in
23 accordance with regulations prescribed by the Secretary.
24 Any unused certificates held by persons other than the pro-

1 ducer to whom such certificates are issued shall be purchased
2 by Commodity Credit Corporation. Notwithstanding the
3 foregoing provisions of this section, Commodity Credit Cor-
4 poration is authorized to purchase from producers certificates
5 not accompanied by wheat in cases where the Secretary
6 determines that it would constitute an undue hardship to
7 require the producer to transfer his certificates only in con-
8 nection with the disposition of wheat.

9 “(b) During any marketing year for which a wheat
10 marketing allocation program is in effect, (i) all persons
11 engaged in the processing of wheat into food products com-
12 posed wholly or partly of wheat shall, prior to marketing
13 any such product for human food in the United States, ac-
14 quire marketing certificates equivalent to the number of
15 bushels of wheat contained in such product, and (ii) all
16 persons exporting wheat or food products composed wholly
17 or partly of wheat shall prior to such export acquire market-
18 ing certificates equivalent to the number of bushels so
19 exported. Marketing certificates shall be valid to cover only
20 sales or exportations made during the marketing year with
21 respect to which they are issued, and after being once used
22 to cover a sale or export of a food product or an export of
23 wheat shall be void and shall be disposed of in accordance
24 with regulations prescribed by the Secretary.

“(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

9 “(d) As used in this subtitle, the term ‘food products’
10 means any product to be used for human consumption, in-
11 cluding beverage.

12 "ASSISTANCE IN PURCHASE AND SALE OF MARKETING
13 CERTIFICATES

14 “SEC. 379e. For the purpose of facilitating the purchase
15 and sale of marketing certificates, the Commodity Credit
16 Corporation is authorized to issue, buy, and sell marketing
17 certificates in accordance with regulations prescribed by the
18 Secretary. Such regulations may authorize the Corporation
19 to issue and sell certificates in excess of the quantity of cer-
20 tificates which it purchases. Such regulations may author-
21 ize the Corporation in the sale of marketing certificates to
22 charge, in addition to the face value thereof, an amount de-
23 termined by the Secretary to be appropriate to cover esti-
24 mated administrative costs in connection with the purchase

1 and sale of the certificates and estimated interest incurred on
2 funds of the Corporation invested in certificates purchased
3 by it.

4 "CONVERSION FACTORS

5 "SEC. 379f. The Secretary shall establish conversion
6 factors which shall be used to determine the amount of wheat
7 contained in any food product. The conversion factor for
8 any such food product shall be determined upon the basis of
9 the weight of wheat used in the manufacture of such product.

10 "AUTHORITY TO FACILITATE TRANSITION

11 "SEC. 379g. The Secretary is authorized to take such
12 action as he determines to be necessary to facilitate the tran-
13 sition from the program currently in effect to the program
14 provided for in this subtitle. Notwithstanding any other pro-
15 vision of this subtitle, such authority shall include, but shall
16 not be limited to, the authority to exempt all or a portion of
17 the wheat or food products made therefrom in the channels of
18 trade on the effective date of the program under this subtitle
19 from the marketing restrictions in subsection (b) of section
20 379d, or to sell certificates to persons owning such wheat or
21 food products at such prices as the Secretary may determine.
22 Any such certificate shall be issued by Commodity Credit
23 Corporation.

1 “REPORTS AND RECORDS

2 “SEC. 379h. This section shall apply to processors of
3 wheat, warehousemen and exporters of wheat and flour, and
4 all persons purchasing, selling, or otherwise dealing in wheat
5 marketing certificates. Any such person shall, from time to
6 time on request of the Secretary, report to the Secretary such
7 information and keep such records as the Secretary finds
8 to be necessary to enable him to carry out the provisions of
9 this subtitle. Such information shall be reported and such
10 records shall be kept in such manner as the Secretary shall
11 prescribe. For the purpose of ascertaining the correctness of
12 any report made or record kept, or of obtaining information
13 required to be furnished in any report, but not so furnished,
14 the Secretary is hereby authorized to examine such books,
15 papers, records, accounts, correspondence, contracts, docu-
16 ments, and memorandums as he has reason to believe
17 are relevant and are within the control of such person.

18 “PENALTIES

19 “SEC. 379i. (a) Any person who violates or attempts
20 to violate or who participates or aids in the violation of any
21 of the provisions of subsection (b) of section 379d of this
22 Act shall forfeit to the United States a sum equal to two
23 times the face value of the marketing certificates involved in

1 such violation. Such forfeiture shall be recoverable in a
2 civil action brought in the name of the United States.

3 “(b) Any person, except a producer in his capacity as
4 a producer, who violates or attempts to violate or who partic-
5 ipates or aids in the violation of any provision of this subtitle,
6 or of any regulation, governing the acquisition, disposition,
7 or handling of marketing certificates or who fails to make
8 any report or keep any record as required by section 379h
9 shall be deemed guilty of a misdemeanor and upon convic-
10 tion thereof shall be subject to a fine of not more than \$5,000
11 for each violation.

12 “(c) Any person who, in his capacity as a producer,
13 knowingly violates or attempts to violate or participates or
14 aids in the violation of any provision of this subtitle, or of
15 any regulation, governing the acquisition, disposition, or
16 handling of marketing certificates or fails to make any report
17 or keep any record as required by section 379h shall, (i) for-
18 feit any right to receive marketing certificates, in whole or in
19 part as the Secretary may determine, with respect to the
20 farm or farms and for the marketing year with respect to
21 which any such act or default is committed, or (ii), if such
22 marketing certificates have already been issued, pay to the
23 Secretary, upon demand, the amount of the face value of
24 such certificates, or such part thereof as the Secretary may
25 determine. Such determination by the Secretary with re-

1 spect to the amount of such marketing certificates to be
2 forfeited or the amount to be paid by such producer shall
3 take into consideration the circumstances relating to the act
4 or default committed and the seriousness of such act or de-
5 fault.

6 “(d) Any person who falsely makes, issues, alters,
7 forges, or counterfeits any marketing certificate, or with
8 fraudulent intent possesses, transfers, or uses any such falsely
9 made, issued, altered, forged, or counterfeited marketing cer-
10 tificate, shall be deemed guilty of a felony and upon con-
11 viction thereof shall be subject to a fine of not more than
12 \$10,000 or imprisonment of not more than ten years, or
13 both.

14 “REGULATIONS

15 “SEC. 379j. The Secretary shall prescribe such regula-
16 tions as may be necessary to carry out the provisions of this
17 subtitle including but not limited to regulations governing
18 the acquisition, disposition, or handling of marketing cer-
19 tificates.”

20 SEC. 325. The Agricultural Act of 1949, as amended,
21 is amended as follows:

22 (1) By inserting after section 106 the following
23 new section:

24 “SEC. 107. Notwithstanding the provisions of section
25 101 of this Act, beginning with the 1963 crop—

1 “(1) price support for wheat accompanied by
2 marketing certificates shall be at such level not less than
3 65 per centum or more than 90 per centum of the parity
4 price therefor as the Secretary determines appropriate
5 taking into consideration the factors specified in section
6 401 (b) ,

7 “(2) if marketing quotas are in effect for wheat
8 price support for wheat not accompanied by marketing
9 certificates shall be at such level as the Secretary deter-
10 mines appropriate taking into consideration competitive
11 world prices of wheat, the feeding value of wheat in
12 relation to feed grains, and the level at which price
13 support is made available for feed grains,

14 “(3) price support shall be made available only
15 to cooperators; and if a commercial wheat-producing
16 area is established for such crop, price support shall
17 be made available only in the commercial wheat-produc-
18 ing area,

19 “(4) price support for any crop of wheat for which
20 marketing quotas have been disapproved by producers
21 shall be at such level not to exceed 50 per centum of the
22 parity price therefor as the Secretary determines appro-
23 priate after consideration of the factors specified in
24 section 401 (b) ,

25 “(5) the level of price support for any crop of

1 wheat for which a national marketing quota is not pro-
2 claimed shall be as provided in section 101, and

3 “(6) if marketing quotas are in effect for the crop
4 of wheat, a ‘cooperator’ with respect to any crop of
5 wheat produced on a farm shall be a producer who (i)
6 does not knowingly exceed (A) the farm acreage al-
7 lotment for wheat or any other commodity on the farm
8 or (B) except as the Secretary may by regulation pre-
9 scribe, the farm acreage allotment on any other farm
10 for any commodity in which he has an interest as a pro-
11 ducer, and (ii) complies with the land-use requirements
12 of section 339 of the Agricultural Adjustment Act of
13 1938, as amended, to the extent prescribed by the Sec-
14 retary. If marketing quotas are not in effect for the crop
15 of wheat, a ‘cooperator’ with respect to any crop of wheat
16 produced on a farm shall be a producer who does not
17 knowingly exceed the farm acreage allotment for wheat.
18 No producer shall be deemed to have exceeded a farm
19 acreage allotment for wheat if the entire amount of
20 the farm marketing excess is delivered to the Secre-
21 tary or stored in accordance with applicable regulations
22 to avoid or postpone payment of the penalty, but the
23 producer shall not be eligible to receive price support on
24 such marketing excess.

25 “No producer shall be deemed to have exceeded the

1 farm acreage allotment for feed grains on the farm, or
2 the farm acreage allotment for wheat or feed grains on
3 any other farm, if such farm is exempt from the farm
4 marketing quota for such crop under section 335, 360f,
5 or 360k.”

6 (2) By changing the period at the end of the
7 third sentence in section 407 to a colon and adding the
8 following: “*Provided*, That if a commercial wheat mar-
9 keting allocation program is in effect, the current support
10 price for wheat shall be the support price for wheat ac-
11 companied by marketing certificate and wheat sold
12 shall be accompanied by a marketing certificate.”

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. The Consolidated Farmers Home Administra-
15 tion Act of 1961 (75 Stat. 307) is amended as follows:

16 (1) By striking out the period at the end of sec-
17 tion 304 and inserting a comma and the following:
18 “including recreational uses and facilities.”;

19 (2) By inserting in section 306 (a) after “soil con-
20 servation practices,” the following: “shifts in land-
21 use including the development of recreational facilities,”;
22 and by inserting after the word “drainage” the words
23 “or sewer”;

24 (3) By striking out in section 309 (f) (1) the

figure “\$10,000,000” and inserting in lieu thereof the figure “\$25,000,000”;

(4) By inserting in section 312 after the words “and conservation” the words “including recreational uses and facilities”; and

(5) By adding at the end thereof a new section as follows:

“SEC. 343. As used in this title (1) the term ‘farmers’ shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term ‘farming’ shall be deemed to include fish farming.”

SEC. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

“SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

“(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for

1 making loans under titles I and II of this Act. Such notes
2 shall be in such form and denominations and be subject to
3 such terms and conditions as may be prescribed by the Ad-
4 ministrator with the approval of the Secretary of the
5 Treasury. Such notes shall bear interest at a rate fixed by
6 the Secretary of the Treasury not in excess of the rate pro-
7 vided for in sections 4 and 5 of this Act. The Secretary of
8 the Treasury is authorized and directed to purchase any notes
9 of the Administrator issued hereunder, and for that purpose
10 the Secretary of the Treasury is authorized to use as a public
11 debt transaction the proceeds from the sale of any securities
12 issued under the Second Liberty Bond Act, as amended, and
13 the purposes for which such securities may be issued under
14 such Act, as amended, are extended to include the purchase
15 of notes issued by the Administrator. All redemptions, pur-
16 chases, and sales by the Secretary of the Treasury of such
17 notes shall be treated as public debt transactions of the
18 United States.

19 “The appropriations for loans made under the authority
20 of subsection (a) and funds obtained in accordance with the
21 preceding paragraph of this subsection and the unexpended
22 balances of any funds available on the date of enactment of
23 the Food and Agriculture Act of 1962 for loans under this
24 Act, including any funds made available for loans under
25 the item ‘Rural Electrification Administration’, in the Depart-

1 ment of Agriculture appropriation Acts current on such date
2 of enactment, shall be merged into a single account hereafter
3 in this section called the 'loan account'. All notes, bonds,
4 obligations, and property, including those now held by the
5 Administrator on behalf of the Secretary of the Treasury,
6 and all collections therefrom, made or held under the loan
7 provisions of titles I and II of this Act, shall be assets of said
8 account.

9 "The notes of the Administrator issued to the Secretary
10 of the Treasury under titles I and II of this Act, and all other
11 liabilities against the appropriations or assets in the loan
12 account shall be liabilities of said account, and all other obli-
13 gations against such appropriations or assets shall be obli-
14 gations of said account. Moneys in the loan account shall also
15 be available for interest and principal repayments on notes
16 issued by the Administrator to the Secretary of the Treasury.
17 Otherwise, the balances in said account shall remain available
18 to the Administrator for loans under titles I and II of this
19 Act and for advances in connection therewith, except that no
20 such loans shall be made in any year in excess of the amounts
21 previously authorized therefor in appropriation Acts for such
22 year or available pursuant to subsection (e) of this section.
23 The amounts so authorized for loans and advances shall
24 remain available until expended."

1 SEC. 403. Subsection (f) of section 3 of the Rural Elec-
2 trification Act, as amended, is repealed.

3 SEC. 404. The Agricultural Adjustment Act, as re-
4 enacted and amended by the Agricultural Marketing Agree-
5 ment Act of 1937, as amended, is further amended as
6 follows: Section 8c (6) is amended by striking the period
7 at the end of (I) thereof and inserting in lieu thereof the
8 following: “: *Provided*, That with respect to orders appli-
9 cable to cherries such projects may provide for any form
10 of marketing promotion including paid advertising.”

11 SEC. 405. If any provision of this Act is declared un-
12 constitutional, or the applicability thereof to any person or
13 circumstance is held invalid, the validity of the remainder of
14 this Act and the applicability thereof to other persons and
15 circumstances shall not be affected thereby.

16 SEC. 406. Nothing contained herein shall be construed
17 as authorizing sales of Commodity Credit Corporation-
18 owned commodities, including sales against payment-in-kind
19 certificates, other than in accordance with the provisions of
20 section 407 of the Agricultural Act of 1949, as amended.
21 Congress hereby reconfirms its long-standing policy of favor-
22 ing the use by governmental agencies of the usual and
23 customary channels, facilities, and arrangements of trade
24 and commerce, and directs the Secretary of Agriculture
25 and the Commodity Credit Corporation to the maximum

1 extent practicable to adopt policies and procedures designed
2 to minimize the acquisition of stocks by the Commodity
3 Credit Corporation, to encourage orderly marketing of farm
4 commodities through private competitive trade channels, both
5 cooperative and noncooperative, and to obtain maximum re-
6 turns in the marketplace for producers and for the Com-
7 modity Credit Corporation.

8 SEC. 407. It is hereby declared to be the sense of the
9 Congress that the Secretary of Agriculture should, whenever
10 he determines such action will result in more effective or
11 more economical administration of this or any other Act
12 administered by him, utilize the services and facilities of
13 farmer-owned, farmer-managed associations of producers, and
14 accord such associations no less favorable treatment under
15 any such Act than that accorded individual producers or
16 farmers.

17 TITLE V—INDUSTRIAL USES OF AGRICULTURAL 18 PRODUCTS

19 DECLARATIONS AND FINDINGS

20 SEC. 501. The Congress of the United States hereby
21 makes the following declarations and findings concerning
22 the development of new and improved uses for farm products,
23 new crops to replace those now in surplus, and the disposal
24 of surplus commodities owned by the Government:

25 (a) Farms in the United States have a capacity to

1 produce more farm products than can now be marketed
2 at prices that will return sufficient incomes to farmers to
3 maintain an efficient and progressive agricultural industry;

4 (b) A prosperous agriculture will contribute immensely
5 to national welfare by efficient production of needed food,
6 feed, and fiber by provision of raw materials for the trans-
7 portation and processing industries, by purchases of produc-
8 tion supplies, and by its contribution to maintenance of a
9 balanced and high-level national economy;

10 (c) National defense and security interests of the
11 United States require protection of agricultural resources
12 against deterioration and the maintenance of high productive
13 capacity in order to meet possible emergency needs of the
14 United States and other friendly nations;

15 (d) Basic research in agricultural products and their
16 uses is essential in any long-range program of benefit to
17 agriculture;

18 (e) Research programs to develop new and improved
19 uses for farm products and new farm products have poten-
20 tialities for providing outlets for a larger volume of farm
21 production and greater stability of the prices of farm
22 commodities;

23 (f) Public and private research agencies, including the
24 Departments of Agriculture and Commerce, the land-grant
25 colleges, other universities and research institutions, as well

1 as private firms, can and should be utilized for an all-out
2 attack on development of new and improved uses, and new
3 and extended markets and outlets for farm products and by-
4 products. Research, pilot plant, development and trial com-
5 mercialization work and corollary economic and related
6 studies should be devoted to the expansion of industrial uses
7 for agricultural commodities in surplus, and to any food and
8 feed uses and replacement crops that can make substantial
9 contributions toward the solution of the surplus problem.
10 Facilities should be established as needed to permit adequate
11 experimentation and testing, and production and market
12 development, of promising new uses and new products;

13 (g) Development of new and improved industrial and
14 other uses of farm products and new farm products and new
15 and extended markets and outlets for farm products and by-
16 products will enlarge income opportunities for farmers. It
17 also will reduce Government costs for acquisition, storage,
18 and ultimate disposition of commodities now in surplus;

19 (h) Disposition of a portion of the surplus stocks of the
20 Commodity Credit Corporation through industrial channels
21 for new or byproduct uses, so that the carryover of any com-
22 modity beyond the needs of the Nation can be reduced, will
23 have a stabilizing effect on the market prices for farm com-
24 modities.

1 AGRICULTURAL RESEARCH AND INDUSTRIAL USE
2 ADMINISTRATION

3 SEC. 502. There is created and established in the De-
4 partment of Agriculture an agency of the United States to be
5 known as the Agricultural Research and Industrial Use Ad-
6 ministration, all of the powers of which shall be exercised
7 by an Administrator, under the general direction and super-
8 vision of the Secretary of Agriculture, who shall be appointed
9 by the President, by and with the advice and consent of the
10 Senate, for a term of six years and who shall receive basic
11 compensation at the rate of \$20,000 per annum. The duties
12 of this agency shall be to coordinate and expedite efforts
13 to develop, through research, new industrial uses, and in-
14 creased use under existing processes, of agricultural products;
15 to develop new replacement crops; and to reduce the stocks
16 of commodities owned by the Commodity Credit Cor-
17 poration.

18 SALARIES

19 SEC. 503. The positions of the three Deputy Adminis-
20 trators of the agency shall be in grade GS-18 of the General
21 Schedule established by the Classification Act of 1949, as
22 amended. Such positions shall be in addition to the num-
23 ber of positions authorized to be placed in such grade by sec-
24 tion 505 (b) of such Act. The agency is authorized to fix the
25 compensation, notwithstanding other provisions of law, for

1 not more than ten positions which require the services of
2 especially qualified scientific or professional personnel: *Pro-*
3 *vided*, That the rates of basic compensation for positions
4 established pursuant to this provision shall not exceed the
5 maximum payable under the Act of August 1, 1947 (61
6 Stat. 715), as amended and supplemented. The agency may
7 appoint and fix the compensation of any technically qualified
8 person, firm, or organization by contract or otherwise on a
9 temporary basis and for a term not to exceed six months in
10 any fiscal year to perform research, technical, or other special
11 services, without regard to the civil service laws or the
12 Classification Act of 1949, as amended.

13 POWERS AND DUTIES

14 SEC. 504. The agency shall have power and authority,
15 within the limits of the funds made available to it, to coordi-
16 nate and expedite activities toward research, pilot plant, de-
17 velopment, trial commercialization, and industrial uses, with
18 Federal and State Governments, educational institutions, pri-
19 vate research organizations, trade associations, individuals,
20 and industrial corporations in expanding the industrial utiliza-
21 tion of the products of farm and forest and the development
22 of new crops. In the discharge of these duties, the agency is
23 authorized to:

24 (a) Make use of the facilities of the Department of Agri-
25 culture and other Federal departments and agencies, land-

1 grant institutions, and experiment stations. The agency
2 shall utilize existing facilities owned or controlled by the
3 Federal Government to the greatest extent practicable, in-
4 cluding pilot plants, regional laboratories, and other facilities
5 and equipment, and is authorized to utilize authority now
6 available to the Secretary of Agriculture under existing law;

7 (b) Make grants, for periods not to exceed five years
8 duration, to State agricultural experiment stations, colleges,
9 universities, and other research institutions and individuals;

10 (c) Contract with foreign individuals, organizations,
11 institutions of learning, or private corporations where pay-
12 ment can be made in foreign currency accumulated under
13 Public Law 480, Eighty-third Congress. The agency is
14 hereby authorized to utilize such foreign currencies notwith-
15 standing other provisions of law requiring reimbursement;

16 (d) Make contracts or cooperative arrangements in the
17 manner provided by sections 10 (a) and 205 of the Act of
18 August 14, 1946 (7 U.S.C. 427i, 1624), including con-
19 tracts and agreements providing for the commercialization,
20 market acceptance, and the economic feasibility of industrial
21 utilization in the competitive market for agricultural products
22 and processes with respect thereto;

23 (e) Extend suitable incentives to farmers or to industry
24 to hasten the establishment of a new crop or of a new in-

1 industrial use, where such appear likely to lead to durable ad-
2 ditional markets;

3 (f) Direct the Commodity Credit Corporation to make
4 delivery of any of its stocks of commodities to agencies of the
5 Government, persons, or corporations designated by the
6 agency where such stocks are to be used for (1) research,
7 (2) pilot plant operation, (3) trial commercialization, (4)
8 export of manufactured products, or (5) new or byproduct
9 uses. The Commodity Credit Corporation, with respect to
10 commodities thus requisitioned by the agency, shall pay
11 necessary handling and delivery charges to the destination
12 directed by the agency. Such sums of money as the agency
13 shall receive, if any, on such transfers of commodities, shall
14 be turned over to the Commodity Credit Corporation;

15 (g) Make contracts or leases for the private operation
16 of any property or facilities transferred from another Gov-
17 ernment agency pursuant to this title or other legislative
18 authority;

19 (h) Make loans or grants to those with whom con-
20 tracts or other arrangements are entered into, for the purpose
21 of providing assistance in the acquisition or expansion of
22 facilities and equipment for research or development activi-
23 ties;

24 (i) Provide in all contracts for the disposition of inven-

1 tions produced thereunder in a manner calculated to protect
2 the public interest and the equities of the individual or
3 organization with which the contract or other arrangement
4 is executed: *Provided, however,* That nothing herein shall be
5 construed to authorize the agency to enter into any con-
6 tractual or other arrangement inconsistent with any pro-
7 vision of law affecting the issuance or use of patents;

8 (j) Grant exclusive licenses with or without payment
9 of royalty for a fixed period of not to exceed five years for
10 the use of patents under the control of the Department of
11 Agriculture;

12 (k) Pay incentive awards to private citizens for suitable
13 and acceptable suggestions to implement the program estab-
14 lished by this title, such payments to be made in accordance
15 with previously published rules stating the amounts of,
16 criteria for determining, and subjects of, such awards; and

17 (l) Test production procedures on a commercial basis,
18 maintain and operate manufacturing facilities where neces-
19 sary to prove the commercial feasibility of volume production
20 and to build, purchase, or lease plant facilities, or necessary
21 equipment suitable for manufacturing needs.

22 TRANSFER OF GOVERNMENT PLANTS

23 SEC. 505. Notwithstanding any other provision of law,
24 any Government agency holding any Government-owned

1 facility useful in the program authorized by this title is au-
2 thorized to transfer such facility to the agency, for use in the
3 program, if requested to do so by the agency: *Provided*, That
4 such transfer has the approval of the Director of the Bureau
5 of the Budget. The agency is authorized to exercise, with
6 respect to the facilities transferred, all of the authority vested
7 in the agencies transferring such facilities. At the time of
8 such transfer, funds and personnel related to the operation
9 or administration of such facilities, shall, with the approval
10 of the Director of the Bureau of the Budget, also be trans-
11 ferred to the agency.

12 DEFINITION OF "AGRICULTURAL PRODUCTS"

13 SEC. 506. The terms "agricultural products" and "farm
14 and forest products" as used in this title shall have the same
15 meaning as the term "agricultural products" in section 207
16 of the Act of August 14, 1946 (7 U.S.C. 1626).

17 ANNUAL REPORT

18 SEC. 507. The Administrator shall present annually to
19 the Congress not later than the 20th day of January in each
20 year a full report of his activities under this title.

21 SAVINGS PROVISION

22 SEC. 508. The authorities under this title are in addi-
23 tion to and not in substitution for authorities otherwise avail-
24 able under existing law.

AN ACT

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25, 1962

Ordered to be printed as passed

Mr. HUMPHREY. Mr. President, I know of no other morning business at this time.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask that the Chair lay before the Senate the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs, to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the Proxmire amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DIRKSEN. As I understand, from here on there will be 1 hour for each side in connection with each amendment which may be offered. Is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Unless some other arrangement is made, the time for the quorum call will be charged equally to each side.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time required for the quorum call not be charged to either side under the agreement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I yield a couple of minutes on the bill for the purpose of a request.

The ACTING PRESIDENT pro tempore. How many minutes does the Senator yield?

Mr. HUMPHREY. Two minutes. I ask unanimous consent that the Subcommittee on Constitutional Amend-

ments of the Committee on the Judiciary be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. I understand that on yesterday we gave consent for the Permanent Subcommittee on Investigations of the Committee on Government Operations to meet.

APPROVAL OF REVISED CLASSIFICATION OF CERTAIN LAND OF SUN RIVER PROJECT, MONTANA

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate an amendment of the House to Senate bill 2132. It is a technical amendment.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2132) to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District, which was, on page 1, line 7, strike out "article" and insert "section".

The ACTING PRESIDENT pro tempore. The question is on concurring in the amendment.

The amendment was concurred in.

CORRECTION OF THE RECORD

Mr. ROBERTSON. Mr. President, I ask to have a correction made in the CONGRESSIONAL RECORD of May 24, 1962, near the bottom of the first column on page 8506. As printed, the RECORD shows I said, concerning the Ellender feed grain amendment:

It is favored by the Farm Bureau Federation, because it wants controls taken off the farmers; it wants to be free of controls and cut down on contributions to the soil bank.

What I said was:

It is not favored by the Farm Bureau Federation because it wants controls taken off the farmer and wants to be free of controls and cut down on production by putting land into the soil bank.

The ACTING PRESIDENT pro tempore. The correction will be made.

EXECUTIVE BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar, starting with the item "Envoy."

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

ENVOY

The Chief Clerk read the nomination of Mrs. Eugenie Anderson, of Minnesota, to be Envoy Extraordinary and Minister

Plenipotentiary of the United States of America to Bulgaria.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Lucius D. Battle, of Florida, to be an Assistant Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Chief Clerk read the nomination of Seymour M. Peyser, of New York, to be Assistant Administrator for Development Financing, Agency for International Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JAVITS subsequently said: Mr. President, earlier today the nomination of Mr. Seymour M. Peyser, of New York, to be Assistant Administrator for Development Financing, Agency for International Development, was confirmed by the Senate. I ask unanimous consent that my remarks may be printed in the RECORD in connection with the confirmation of that nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, Mr. Peyser is a member of a very distinguished New York law firm; the firm of Phillips, Nizer, Benjamin, Krimm, and Ballon, which I know very well. He has a fine position in New York as a distinguished lawyer and is very highly thought of.

Mr. Peyser's responsibility in the office of the Agency for International Development, under its distinguished Director Fowler Hamilton, will be a very serious one involving, as I understand it, the whole responsibility for private enterprise relationships with this program, which I consider to be decisive in terms of the full success of the program. I believe it is important to note that this experienced New Yorker will be in charge in this respect, and I wish him well in his work. New York is proud he has been given this very important position.

U.S. ATTORNEY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations for U.S. attorney be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. MARSHAL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations for U.S. marshal be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations in the U.S. Army be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. HUMPHREY. Mr. President, I ask that the President be immediately notified.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Without objection, the Senate will return to legislative session.

The Senate resumed the consideration of legislative business.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to modify my amendment, and I send the modification to the desk.

The ACTING PRESIDENT pro tempore. The Senator has a right to modify his amendment. Without objection, the modification is made.

Mr. AIKEN. Mr. President, will the Senator tell us what the amendment does?

Mr. PROXMIRE. It provides that, instead of having the 1961-62 marketing year as the base year to establish normal marketing levels, we use the calendar year 1961 as the base year. This means there would be a little lower base.

Mr. AIKEN. I have no objection.

Mr. PROXMIRE. I send the modification to the desk and I ask unanimous consent that it not be necessary to have the modification read. I shall explain it. I ask unanimous consent to have the modification printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the modification will be printed in the RECORD.

The modification is as follows:

In the amendment "5-21-62-J," offered by Mr. PROXMIRE, for himself and Mr. HUMPHREY, to the bill (S. 3225), on page 7, lines 15 and 16, strike the words and figures "mar-

keting year 1961-1962" and insert in lieu thereof "calendar year 1961."

On page 7, line 24, strike the word "April" and insert in lieu thereof "January."

On page 9, line 13, strike the words and figures "marketing year 1961-1962" and insert in lieu thereof "calendar year 1961."

FEED GRAINS PROGRAM MAKES DAIRY AMENDMENT A MUST

Mr. PROXMIRE. Mr. President, what happened last night makes this basic amendment which I offer, which I am going to explain, an essential amendment. It is a "must" for dairying.

The Senate adopted last night, as the last order of business of the day, an amendment which would limit dairy farmers' production of feed grains in many cases 20 percent, and in all cases—whether they be small dairy farmers or large dairy farmers—so far as the production of corn and of silage is concerned, and so far as the production of sorghums is concerned, to the 1959-60 base. So the dairy farmers would be limited in their production of feed on their own farms. The Senate voted to limit or to reduce the amount of feed dairy farmers may produce by so doing, and so voted to increase dairy farmers' costs.

It could be argued, Mr. President, that we should limit the amount of milk which dairy farmers should produce in America. I am in favor of that kind of a proposal. I think we should do everything we can to solve the problem of surpluses, but I think we should recognize the timing of what we have done with respect to the dairy farmers.

Less than 2 months ago the Secretary of Agriculture reduced price supports for dairy farmers by nearly 10 percent—by some 9 percent. It was a punishing cut. It was a cut of 9 percent in gross and probably 30 percent in net income for the farmers of my area.

So the dairy farmer is now in the position that the price of the milk which he sells has been reduced, and now the Congress has taken action which will have the effect either of limiting the amount of milk which he can produce, of cutting the amount back, or of increasing the cost of the milk operation if the farmer wishes to buy feed grains to replace the feed grains which he cannot produce.

Mr. President, I submit this will be a very unfair, a very unjust, a very difficult situation for the dairy farmers. I think at the very least we should give dairy farmers an opportunity to do what the other farmers of the country can now do. This includes the cotton farmers. It includes the feed grain farmers. It includes the tobacco and wheat and other farmers. We should permit the dairy farmers to vote in a referendum to limit their production.

The modification I have sent to the desk would provide that the base year for establishing normal marketing levels would be calendar year 1961.

If the dairy farmers should vote, by a two-thirds vote to limit their production to the 1961 calendar year base, then they would receive 90 percent price supports, or an increase in price of 63 cents a hundredweight. There is a great ques-

tion as to whether they would do so, but at least they would have the opportunity. This would be an increase in prices which would put the dairy farmers in a position pretty much to maintain their net income from dairying.

In order to make the proposal effective and to reduce the cost of the program, my amendment also would provide payments up to \$2.80 per hundredweight for farmers who reduced their production by at least 10 percent, up to 25 percent, or 30,000 pounds, whichever is greater. This would provide a substantial incentive for a farmer to cut back.

FARMERS WILLING TO CUT BACK

I can see no reason why many farmers would not take advantage of this proposal. We have talked to the farmers in our State. Many of those farmers find this proposal very attractive and would like to approve it.

In addition, Mr. President, the amendment would provide that quotas could be transferred, but only within the State or in the adjacent State. The Senator from Vermont very properly raised objection to a transfer outside of the area. We objected to that. It was rejected in the committee. I think that was a wise action by the committee. My amendment provides for transfers of quotas only in the State or in an immediately adjacent State.

This would give the farmers a real choice. It is unlike some of the proposals which have been offered in the past. If the dairy farmers chose to vote "no," then they would be exactly where they are at the present time. They would get the low income of 75 percent of parity, but at least they would be no worse off.

MILK PRICES TO FARMERS NOW VERY LOW

I think that is only fair, because the dairy farmer now is suffering from a very low price. He is suffering from a price which fell sharply just 7 weeks ago, on April 1. My proposal would offer dairy farmers a fair, clear choice. This may well be the last time the dairy farmers will be given this kind of choice.

The administration offered a proposal earlier to cut the price support for dairy farmers to 50 percent of parity if they voted "no" in the referendum. Other proposals would also cut the price support level sharply if one-third plus one of milk producers vote "no" in the required referendum.

Mr. proposal rejects this kind of "brass knuckles" pressure on the farmer which would give him no legitimate choice.

The farmers in my State have pleaded over and over again, "If you want to offer controls, at least give us an opportunity so that if controls are not approved we will not be absolutely ruined."

This is the real merit of my proposal. It does not risk a devastating drop below 75 percent of parity. On the other hand, it will provide a real advantage to the farmers if they approve controls on production.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am delighted to yield.

Mr. DWORSHAK. Did the Senator from Wisconsin make the statement that the dairy price supports have been cut by the Congress?

Mr. PROXMIRE. The Senator from Wisconsin said that the price supports have been cut. The Senator from Wisconsin did not specify the amount.

Mr. DWORSHAK. I think the Senator said they were cut by the Congress.

Mr. PROXMIRE. They were cut by the Secretary of Agriculture.

I think I should explain that the price supports were cut by the Secretary of Agriculture after the Secretary of Agriculture pleaded with the Congress to pass a resolution which, in his judgment, would have modified the law so that he would not have had to reduce the dairy price supports. I worked hard for the resolution. I was unsuccessful in the committee by an unfortunately large margin.

Mr. President, there is no question that my proposal would make possible for the dairy farmers an increase in income. The increase would be in the neighborhood of about 10 percent for gross income. In view of what has happened to dairy farm income recently, I think this would be a modest and a moderate increase, which would make sense, well justified by the pitifully low incomes of dairy farmers in most parts of the country.

There may be some dispute, Mr. President, as to which I am sure the chairman of the committee will speak to enlighten the Senate, with respect to the cost to the taxpayer of my proposal. This is because any cost estimates depend on projections of production and consumption. On the basis of what I consider reasonable assumptions, I think my program will cost less than a continuation of the present law, which is the probable alternative. I think a fair analysis of the situation indicates that it should cost the taxpayers less if my proposal is adopted.

Mr. President, I ask unanimous consent to have printed in the RECORD a chart showing the results of continuing the present program. These results are the estimates of the Department of Agriculture, and I think are conservative. They show an estimate of almost no increase in production in 1963-64 over 1962-63 if we continue the present program. I ask unanimous consent to have the chart printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Estimated results of continuing present dairy program at 75 percent of parity (\$3.11), no production limitations

[In billions of pounds]	
Marketings of milk:	
1962-63	120.5
1963-64	121.0
Commercial consumption:	
1962-63	109.5
1963-64	110.0
Surplus:	
1962-63	11.0
1963-64	11.0
Total cost to CCC of 11-billion-pound milk surplus	
	Million
1962-63	\$550
1963-64	550

COST OF PRESENT LAW WILL BE \$550 MILLION

Mr. PROXMIRE. Mr. President, it is estimated it would cost, for 11 billion pounds of milk surplus in 1962-63 and 1963-64, each year, \$550 million.

The Department analysis assumes that consumption, with price support at 75 percent of parity, would be 109.5 billion pounds in 1962-63. Their calculation with respect to the Proxmire program assumes consumption with price supports at 90 percent of parity of only 106 billion pounds, that is 3½ billion pounds less. This is an elasticity with reference to the demand for milk which I have never seen corroborated anywhere. We have seen all kinds of fluctuations in the prices the farmers have received during the past 12 years. We have accumulated a real history. There has been no indication that the consumption would drop so sharply if the farmer's income should increase this much.

The Department has made this estimate. I have to accept it. I have no quarrel with it in the last analysis, except that I wish to emphasize it includes an extreme assumption which is adverse to my amendment, which would make the cost of the program proposed by my amendment much more than I think it would be. But I accept that analysis. I still feel I can show that a saving would result.

I wish to emphasize that there is no precedent—no precedent at all—for arguing that there would be anything like as much as a 3½-billion pound reduction in consumption in the event that there were 90 percent price supports for dairy farmers.

I invite the attention of the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Louisiana [Mr. ELLENDER]. In the Department's cost estimate with reference to my proposal and that of the Senator from Minnesota [Mr. HUMPHREY], a cosponsor of the amendment with me, it is estimated that if dairy price supports are 90 percent of parity there will be a drop in consumption of three and a half billion pounds of milk. In all fairness, I appeal to the Senator from Louisiana to recognize that we have seen the history for years of fluctuations in price supports and the prices the farmers have received. I submit there is no historical basis for assuming there would be any such drop in consumption if the dairy farmer should receive 90 percent price supports instead of 75 percent price supports.

As the Senator knows far better than I do, most of the cost of milk is in the processing and the selling or retailing. The modest increase of about a cent to a cent and a quarter a quart would not, on the basis of any experience we have had, result in anything like the reduction in consumption, which has been claimed. But I am accepting that figure. I am not disputing the Department, for purposes of our analysis. I merely wanted to drive home that those are assumptions which are adverse to my proposal and which would make my proposal appear more costly than I believe it would be.

I am willing to accept those assumptions. Still I think I can show that there would be a saving to the Government if

my amendment were agreed to, and farmers voted for marketing quotas.

PROXMIRE AMENDMENT WILL REDUCE COSTS

The principle of my amendment is that by holding production to the 1961 level and preventing the enormous increase in production now going on, we shall save Federal money even at 90 percent price supports. I make that statement because in the first three months of this year we had approximately a 1-billion-pound increase in production—a billion pounds—and on the basis of experience, we can see that that trend will continue. There are many reasons why it will continue. Partly it is a quota race, an allotment race, because dairy farmers feel they want to build up their bases. It is a "base race." And there are reasons, too, why it is probable that production will continue to rise sharply unless we get some kind of program in operation.

INCENTIVE TO CUT OUTPUT OFFERED

My plan offers an incentive for farmers to cut back production. It would save the Government \$2 per hundredweight for the cutback. In other words, if the farmer reduced his production by 10,000 pounds, he would then receive \$2.80 maximum for each 100 pounds he cut back, or \$280. If the Government had to buy that milk which would otherwise be produced, it would cost the Government, including storage costs and interest costs, about \$4.80, with the kind of assumptions that I have made. Therefore, the Government would save \$2 when the farmer is persuaded to cut back his production. That is the basic provision in my amendment, which should encourage the farmer to cut back and also provide for a saving on the part of the Government.

If there is only a 3-percent cutback—and I think that is a modest possibility—if there is only a 3-percent reduction in production, my proposal will result in a saving to the taxpayers. Of course, if there is a greater cutback, a 4-percent cutback, there would be a very substantial saving of millions of dollars to the Federal Government. That is according to the Department of Agriculture estimates and the very adverse assumptions I have stated in the matter of consumption.

If there is a 4- or 5-percent cutback in the first year, there would be a far more substantial saving. And the savings in the second year would be greater, as consumption begins to catch up.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a table that was prepared for me by the Department of Agriculture, estimating the results of my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated dairy program costs, present law and emergency program at varying rates of price support, reduction payments, and voluntary participation

Cost of present program (1962-63):	
	Million
At 75 percent of parity (\$3.11 estimate)	\$550

Estimated cost of emergency program with support at 90 percent of parity (\$3.74 per hundredweight) for 1962-63 marketing year

	Billion pounds
Marketings at 1961 level.....	117
Estimated commercial market.....	106
CCC purchases (M.E.).....	11
Product purchases:	Million
Butter (423 million pounds).....	\$276
Cheese (200 million pounds).....	88
Nonfat (1,238 million pounds).....	255
Total.....	619
CCC cost with marketings at 1961 level.....	619
CCC cost with 20 percent of producers reducing their marketings 7½ percent from their 1961 level (1.7 billion pounds):	
CCC purchases.....	537
Payments.....	42
Total.....	579
CCC cost with 30 percent of producers agreeing to reduce 10 percent from their 1961 level of marketings (3.5 billion pounds):	
CCC purchases.....	455
Payments.....	87
Total.....	542

Mr. PROXMIRE. Mr. President, the estimate for payments perhaps should be increased by about \$9 million, if a 3-percent reduction is achieved, to take account of a possible higher rate of surplus reduction payments. The estimated total cost to the Government if milk marketings are reduced 3 percent under my plan would be almost precisely the \$550 million that is projected for contribution of the present law with price supports at the low level of 75 percent of parity.

If a 4- or 5-percent reduction in marketings is achieved by my plan—which is a reasonable possibility—the cost to the Government in the first year alone would be substantially less than the costs that will be incurred anyhow under the present program.

The savings in the second year of my plan would obviously be greater, as commercial consumption begins to catch up with a stable level of milk marketings.

The material I have had printed in the RECORD shows that by holding output to the 1961 level, my amendment can halt the increase in Government costs.

Mr. President, before I temporarily yield the floor, I would like to say that this is a gradual approach. My amendment would give the farmer a choice—a fair choice. It is a temporary, 2-year program, that offers farmers a real opportunity. The fact is that we have never had a dairy referendum before. It is important to offer a fair, clear choice in the historic first dairy referendum.

Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN]. I understand that he will oppose my amendment, which I understand, but at the same time I am happy to yield to him on my time.

Mr. AIKEN. Mr. President, I certainly appreciate the offer of the Senator from Wisconsin. However, I had spoken to the Senator from Louisiana and asked him for some time.

Mr. ELLENDER. Mr. President, I will add 3 minutes to the time available to the Senator from Vermont.

Mr. AIKEN. Mr. President, in order not to hurt anyone's feelings, I yield myself 5 minutes on the bill. I shall not take any time on the amendment.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized for 5 minutes on the bill.

Mr. AIKEN. Mr. President, first, I wish to give testimony to the work which the Senator from Wisconsin has been undertaking to do for the farmers of his State. I know there are some farmers in Wisconsin, if not all of them, who probably would be benefited by the amendment. But at all times he shows excellent knowledge of the farm conditions in the State of Wisconsin and the needs of the State of Wisconsin. He has stood up for what he thought he ought to do, under what sometimes has been insurmountable pressure. He is entitled to all credit.

Unfortunately I cannot approve the amendment of the Senator from Wisconsin, possibly because the situation in my own area is different from what it is in his section. The amendment which the Senator has offered I believe would turn the clock backward as far as dairying is concerned. It would be particularly hard on the young people who are going into the dairying industry. In Vermont—and I am sure in other States—many 4-H youngsters have acquired a few cows or a few heifers, and intend to go into dairying on a larger scale as soon as they are through school. The amendment would put a check on their hopes, if not a stop to them, particularly those who intend to engage in dairying on an increasing scale over the next few years.

Let me give the Senate an example. Suppose that a 4-H youngster has two heifers, and the heifers have had their first calves. Perhaps those heifers produce the first year 6,000 pounds of milk apiece. Perhaps I had better assume that the youngster has three heifers so that we can get the production up to 18,000 pounds and have him come under the provisions of the amendment. Each heifer gives 6,000 pounds of milk. The next year the cow will have a second calf and give 9,000 pounds of milk instead of 6,000 pounds. Under the amendment such a youngster would be prohibited from selling the additional output from those three 4-H cows without paying a large penalty to the Government for that purpose.

Therefore, my first objection to the amendment is that there would be a handicap put upon the young person who is seeking to go into dairying and whose cows are having calves for the second and third time and are producing a great deal more milk.

Then, by putting a penalty on any increased output whatever from a herd for the next 2 years, we would be reversing the trend toward greater efficiency

in the field of dairying. There would be no incentive to have better cows, or more efficient producing units than there has been up to this time, if it were necessary to pay \$2.80 a hundred for every extra hundred pounds of milk that might be produced.

Next, my objection is that it provides that anyone who goes into dairying and who does not have any quota or any base for dairying, must go into the market to buy his allotment. If that became the practice, the time might come when anyone who wanted to go into dairying might have to pay as high as a thousand dollars a cow, merely for the right of owning that cow and marketing her production, in addition to the other penalties that he would be under if the proposed amendment is adopted.

The amendment further provides that a dairyman having a base may sell that base. Many dairymen would want to do so. A dairyman could sell the base to anyone in his State or in an adjoining State. It means that a dairyman in Vermont could sell his base, the right to produce milk, to a man in New Hampshire or in Massachusetts or in New York. That means also that a dairyman in New York could sell his base to a dairyman in New York or Pennsylvania, and a dairyman in Pennsylvania could sell it to a man in Ohio, and from Ohio it could be sold to a man in Michigan, and from Michigan to Illinois, and so on, until the base could wind up out in Arizona. I can very well see a disastrous situation growing up from such a practice. It would amount to setting up a sort of agency for the transfer of bases from one State to another. It could grow into a situation which would make the transfer of cotton leases in Texas and other States seem like a rather small and insignificant business indeed.

The amendment also gives the Secretary the right to cancel or purchase bases in the event he thinks it is more economical to do that than it is to continue to keep these producers in the program. I see nothing in the amendment at all which would prevent the Secretary from canceling bases. Let us use the example of Vermont again. I hope he would not pick on Vermont, but he might. He could cancel bases in Vermont. What would he do with them?

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. AIKEN. I yield myself 2 more minutes.

So far as I can see, he could transfer those bases to any State in the Union in which he thought they would be put to better use than in my own State.

Therefore, I believe the disadvantages of the proposed amendment are terrific. It would stop young people from going into the dairy business unless they could pay \$1,000 for the right to own a cow. They would have to pay a penalty if they took better care of their cows. Finally, it would give the Secretary the right to cancel bases in any part of the country where it suited his fancy to do so.

Mr. PROXMIRE. Mr. President, I thank the Senator from Vermont for his

kind remarks. I should like to reply very briefly to them. The argument dealing with young people, that they could not increase the size of their operations, concerns me very deeply indeed. I was in my home State of Wisconsin during the Lincoln Day recess, and I made 80 speeches, 8 speeches a day, in farm areas, to farmers. There was deep concern about this, Mr. President. The Senator from Vermont is absolutely correct about it.

I do want to say, however, that the amendment would not prevent a young man from going into business. If he buys a farm, he buys a quota. It is possible to transfer a quota. When he buys a farm he has to buy all sorts of equipment, and he must buy a quota.

The fact remains that we must recognize the situation that exists, namely, that the dairy farmer is in trouble. He is in real, deep trouble. I put statistics into the RECORD to show that dairy farmers in Wisconsin, Ohio, Michigan, and in all parts of the country have incomes that are shamefully low, and that they have no opportunity to increase them.

The fact is that it would take a two-thirds vote in the producer referendum to put the amendment into effect. It would be in effect for a year and if it did not work the dairymen could vote it out. It seems to me that if two-thirds of the farmers want to have this kind of limitation on their production—not a cutback, but a limitation—with the flexibility that they would be given, with the ability to buy and sell quotas, it is the fair thing to do. There is no question about the fact that the income of the dairy farmer is low. I am sure the Senator from Vermont will join me in agreeing that a real blow was struck yesterday when the feed grain amendment was adopted. That makes it very difficult for the farmer to increase his income.

Mr. AIKEN. The Senator from Wisconsin is absolutely correct. That was one of the heaviest blows that has ever been struck at the dairy farmer in my recollection. It can virtually put many of them out of business. It is bound to result not only in a severe blow at the dairy farmer, but also an increase in the cost to the consumer. It will also mean a heavier burden placed on the taxpayer.

Mr. PROXMIRE. I agree wholeheartedly. I joined the Senator in opposing that amendment.

Mr. AIKEN. If I had to choose between the amendment of the Senator from Wisconsin and the feed grain amendment which was adopted yesterday, I would by all means choose the amendment of the Senator from Wisconsin. However, I do not approve of his amendment, either.

Mr. PROXMIRE. I thank the Senator from Vermont for his comment. I should like to emphasize again my point that the adoption of the feed grain amendment yesterday affects the dairy farmer very adversely; and makes it more important than ever that we give him an opportunity to vote a limitation on his production, so that he can get a fair income.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CASE of South Dakota. I agree with what the Senator from Wisconsin and the Senator from Vermont have said with respect to the effect of the so-called feed grain amendment that was adopted yesterday. Not merely the dairy farmers, but also the beef and livestock producers will find their operations limited and unpredictable if that becomes the law. When we try to do anything which deals with live animals, we are dealing with uncontrollables and imponderables.

It reminds me of the man who was not a farmer who bought a cow. It is a story that Representative HOFFMAN used to tell us in the House. This man wanted to be kind to the cow; therefore he said he would not milk it except when he needed some milk. So he fed the cow regularly. He would go out and milk it only when he needed a quart of milk or a cup of milk. Anyone knows that very shortly such a cow will commence to dry up and go out of production. Eventually this cow did dry up.

That may be a humorous illustration, but it does show the problem of trying to apply a limitation when we are dealing with live animals and their habits of production.

What bothers me about the amendment of the Senator from Wisconsin is that it would put dairying practically in the franchise class. The problem of the young farmer who is struggling against the high costs of improving his dairy and qualifying for grade A milk would be serious.

Moreover, in my State, recently, a number of milk-drying plants have been established, several of them in small communities and one in a large community. For example, one was built at Mitchell, where 400 persons will be employed and where there will be enough trackage under cover for seven cars for the loading of packaged powdered or dried milk. I know that many farmers have counted upon that diversification and upon going from their surplus crop production into more dairying in order to supply the raw material for the dried or powdered milk factories.

What would be the effect of the Senator's amendment upon communities which have small milk-drying plants, or even larger ones, such as I have mentioned?

Mr. PROXMIRE. The effect upon those communities would be that farmers would, of course, be free to go into dairying, but they would have to buy a quota, just as they would have to buy dairy cows, land, equipment, dairy machinery, dairy tanks, and so forth.

I recognize that this is a problem for the community and has adverse implications. However, the Senator from South Dakota has put his finger on a great difficulty in dairying, because farmers are limited by other programs which Congress has enacted—and I have opposed them, as the Senator knows. But what will happen if some limit is not provided will be that the dairyman will suffer from too many farmers getting into the business, because that will result in unlimited production. It will be an impossible situation.

Mr. CASE of South Dakota. My understanding of the reason for the development of milk-drying plants is that the traditional market outlet for whole milk and butter fat has changed. However, there is an increasing market for powdered milk or dried milk, which is more storable, which does not have to be refrigerated all the time, and which can be shipped greater distances and can be exported abroad. This development has been the response to a search for new markets.

I think half a dozen small plants of this kind have been started in South Dakota in the past 2 years, besides the large one I mentioned.

Mr. PROXMIRE. I really think there would not be any significant adverse effect. That would be a natural development in South Dakota and Wisconsin, where there is large dairy production, where the farms are far away from the fluid milk markets, and where the production is very largely for manufacturing purposes. It seems to me that in those areas the adverse effect would be extremely limited.

Mr. CASE of South Dakota. If we are to take the historic production and tie it to this proposal, there will be no opportunity for development, for the switching of farms from surplus grain crops into dairying to meet the new market.

Mr. PROXMIRE. The farmers can switch, because I provide, on page 8, line 19 and following:

A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer.

This means that farmers in South Dakota, a State which borders on Minnesota, would be able to buy quotas from Minnesota farmers or from North Dakota farmers or from farmers in other neighboring States, as well as from farmers within the State of South Dakota.

Mr. CASE of South Dakota. The Senator's proposal certainly makes clear then, that dairy farming would become a franchised proposition.

Mr. PROXMIRE. That is true. But it would be necessary to obtain a two-thirds vote. This would be limited legislation; new legislation would be required after 1963. The proposed legislation would give Congress an opportunity to see if this kind of situation worked satisfactorily and would give the farmers an opportunity to vote.

Mr. CASE of South Dakota. I want the Senator from Wisconsin to explain his proposition fully, but I must say, in view of the particular problem I see for communities where milk-drying plants have been established, that I shall be obliged to vote against his amendment.

I have one further question to ask. I am curious about this situation. On page 6, the Senator's amendment provides:

Such payments (1) shall not exceed \$2.80 per hundredweight of milk, basis 3.82 percentum butterfat content.

When we had payments for supporting milk production during the war, they were based, as I recall, upon a but-

terfat content of 3.5 percent and the premium was for anything above 3.5 percent.

Mr. PROXMIRE. I believe the Senator is correct; 3.5 percent is the familiar figure in my State. Farmers buy and sell on those terms. But 3.82 butterfat is now the national average test milk. That is the reason why this figure has been adopted; and all legislation in recent years, as I understand, has been based upon the concept of the national average test.

Mr. CASE of South Dakota. I hesitate to mention the name of any particular breed of cattle; but I have traveled around the country, and once upon a time I myself operated a grade A dairy farm for a while. I found that if I had too many of a certain breed, I needed to acquire a few more cattle of another breed in order to hold up the 3.5 percent. I think we tried to average 3.7 percent; and when we averaged 3.7 percent, we were doing pretty well. I wondered if 3.82 percent would be regarded as discriminatory against a certain very popular breed of cattle in the dairy field.

Mr. PROXMIRE. No, because everything is modified in proportion. Farmers in Wisconsin generally think in terms of 3.5 milk, for which the price support at 75 percent of parity is \$2.85 per hundredweight. It is \$3.11 for 3.82 test milk. But this will not affect farmers in any discriminatory way.

Mr. CASE of South Dakota. It might affect price in a discriminatory way. I have a brother-in-law who with his sons operates a dairy farm of considerable size in the State of the coauthor of the amendment, the distinguished Senator from Minnesota [Mr. HUMPHREY]. I think the four of them, in a family partnership, milk from 80 to 100 cows the year round. But with the particular breed which they have, I doubt whether they will average 3.82 percent butterfat. Yet it will be found that the average in some of the breeds will produce a higher butterfat content.

Mr. PROXMIRE. The Senator is correct. That is true in Wisconsin, too.

Mr. President, I reserve the remainder of my time.

Mr. MORTON. Mr. President, may I have some time yielded to me?

Mr. AIKEN. How much time does the Senator require? On the Proxmire amendment, I am not in charge of the time; the Senator from Louisiana is.

Mr. HUMPHREY. Mr. President, does the Senator from Kentucky desire to speak on the Proxmire amendment? If so, I will yield him time on the bill. I yield 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes on the bill.

EFFECTS OF H.R. 10650 ON THE ALLIANCE FOR PROGRESS

Mr. MORTON. Mr. President, the U.S. Government has assigned the highest possible priority to assisting social progress and economic development in Latin America. We have done so because of a growing recognition that poverty and social injustice threaten the safety of

the hemisphere and therefore the national security of the United States itself.

Our program for Latin American is known as the Alliance for Progress. In his address to Latin American diplomats at the White House on March 13, 1961, President Kennedy described the Alliance as "a vast new 10-year plan for the Americas—a plan to transform the 1960's into an historic decade of democratic progress."

Beginning with the passage 2 years ago of the American Republics Cooperation Act by the 86th Congress, two administrations and two Congresses have given their enthusiastic support to this effort. The principles of the Alliance are embodied in two international agreements—the Act of Bogotá of September, 1960, and the charter of Punta del Este of August 1961.

In essence, the Alliance commits the United States and the 19 republics of Latin America, excepting Cuba, to a cooperative mobilization of resources for the task of economic and social development. It has been estimated that \$100 billion in development capital will be required during the decade to bring Latin America to the stage of self-sustaining growth. Of this total, four-fifths or \$80 billion is to be supplied by the Latin Americans themselves from public and private sources. One-fifth or \$20 billion will be needed from outside sources. Treasury Secretary Dillon has projected that the outside component of \$2 billion a year would include approximately \$1.1 billion annually in U.S. public funds, \$300 million annually in foreign public and private investment, \$300 million annually from international lending institutions, and \$300 million annually in U.S. private investment.

I. IMPORTANCE OF PRIVATE INVESTMENT

From the outset, it has been recognized by all concerned that private investment has a basic role to play in the Alliance—indeed that the Alliance cannot succeed without substantial private participation and support. President Kennedy, in a message to Congress on March 14, 1961, pointed out that:

Private enterprise's most important role will be to assist in the development of healthy and responsible private enterprise within the Latin American nations. * * * And, of course, the continued inflow of private capital will continue to serve as an important stimulus to development.

Fowler Hamilton, Administrator of the Agency for International Development, told the Senate Foreign Relations Committee on April 10 of this year:

Private enterprise participation is absolutely essential because of the funds that are being talked about, of the \$20 billion for the decade that Secretary Dillon talked about, a substantial or major part would come from the United States and the remainder from other external sources, public and private. But if one thinks of \$2 billion a year, one also thinks of \$8 billion a year coming from other sources, because the amounts contemplated per year are in the order of \$10 billion, and the \$8 billion has to come either from the foreign governments themselves or from private savings in the foreign countries, or from reinvestment. So that we are trying in every way we can to induce and persuade private capital to go in and to stay in.

The President himself on May 9 observed:

It is impossible for us, of course, to supply the funds which are necessary for the development of Latin America. They must come through private sources. If local capital and American capital dry up, then all our hopes of a decade of development in Latin America will be gone.

Private investment capital, in other words, is required to supplement public outlays, which cannot alone be sufficient to do the job of development. Equally important is the fact that private investment carries along with it technical know-how and management skills which, under the social system favored in the Western World, are solely available through the private sector of the economy.

Public investment can supply the fundamentals of economic development like roads and bridges and schools. Public investment is also capable of performing basic tasks of social improvement. But private investment is needed to keep the growth process going and to provide revenues to finance improvement. As a leading AID agency official said recently: "The key to the success of the Alliance may well be private enterprise. Perhaps only the resources and skills of American style private enterprise can bring about the lasting economic growth and development of an underdeveloped country. In the final analysis, it no doubt will be the numberless large and small privately owned businesses and services in each country that will bring about true long-range growth."

Without private investment, even the social development aspects of the program cannot go forward securely, for as Alliance for Progress Coordinator Teodoro Moscoso has pointed out:

The big job in Latin America will be advanced economic development and social justice in tandem. Without economic development, social justice can only mean sharing poverty. The two must be closely allied and interdependent.

In recognition of the vital part private enterprise must occupy, the Charter of Punta del Este asserts that one of the fundamental goals of the Alliance for Progress is "to increase the productivity of the economy as a whole, taking full advantage of the talents and energies of both the private and public sectors." And the U.S. Congress in creating the Agency for International Development declared it to be the policy of the United States "to encourage the contributions of U.S. enterprise toward economic strength of less-developed friendly countries, through private trade and investments abroad."

To achieve this objective, the administration asked for and Congress approved a strengthened system of investment guarantees against risks encountered in less-developed countries and a special program for sharing the cost of investment surveys and feasibility studies. In explaining these programs to Congress, administration spokesmen asserted:

The volume of capital resources potentially available through U.S. private foreign investment is of course enormous—far larger, in all probability, than can ever be made available in the form of publicly provided as-

Of course, if such a proposal were brought to the Senate, it would be the privilege of any Member to raise the constitutional question, which then could be passed upon by the Senate.

I have brought up this matter because I think this point has been overlooked. I believe it important to have it brought to the attention of the community of the District of Columbia; and, as I have said, I do so as a friend of the District of Columbia, one who has pioneered in making possible voting for the District of Columbia.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I rise to oppose the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. He has been a great help on the Committee on Agriculture and Forestry, and I do not suppose the committee can boast of having a member who is more devoted to the cause of agriculture than is the Senator from Wisconsin. As he knows, the committee made every effort to obtain a workable milk program, but to no avail.

As I recall, while all the plans before us were being discussed, I suggested that all of the representatives of the milk industry—the so-called lobby that is in Washington—get together and make an effort together to propose a measure to the committee that would meet with their approval.

About a week was spent in that effort, and all to no avail. The cry of most of them was, "Let the law stand as it is. We are satisfied with it and we want to continue to live under it."

The law as it now stands, as Senators know, provides for 75 to 90 percent price supports with unlimited production. That is a feature with which I find a great deal of fault, but since it seemed impossible for us to reach an agreement, the committee decided that we should take no action at all on the milk program.

So far as I am concerned, that is the position I am assuming at this moment.

It is my purpose to introduce within a few weeks a bill that will be used for study; not as a threat, but as a warning, to the milk producers of the Nation that they should undertake on their own some ways and means of reducing the enormous costs that obtain in the milk program.

As the record shows, from April of 1961 to April of 1962, in 1 year's operation, our Government purchased milk, cheese, dried milk, and other products to the tune of \$561 million.

Out of that huge expenditure, the recovery will be about 10½ million in dollars and about \$20 million in soft currencies that are worth little to us.

So it can be stated that the cost to the Government on the purchase program of last year will aggregate at least \$550 million.

In addition, there is also the milk that is furnished to the schoolchildren and to the Armed Forces. That amounts to \$121 million.

If we add the amount chargeable to purchasers and gifts for the school milk program, the milk producers received the equal of \$682 million out of the Public Treasury, more or less as a subsidy.

It is my hope that it will not be necessary for the Congress to pass any remedial legislation next year, although, as I have said, I intend to introduce my bill.

My object is to serve a warning that, unless the milk producers of the country put their house in order on their own, the Government cannot be expected to be called upon to continue these huge expenses in order to maintain the dairy industry, important as it is to our economy.

The pending amendment would authorize a program for dairy production for the marketing years ending March 31, 1963, and March 31, 1964, as follows:

Remember, Mr. President, this is a 2-year program, and at the end of the 2 years, after providing the 90-percent supports suggested in the measure, we would go back to the old bill, and we would be confronted with the same situation that has faced us for the past 7 or 8 years.

The amendment provides, first, that if two-thirds of the producers voting in a referendum approve the proposed program:

First. A normal marketing level would be established for each producer equal to commercial marketings during the year 1961. The pending amendment was modified to use the calendar year 1961, instead of the 1961-62 marketing year.

Second. The level of price supports would be 90 percent of parity. That is the inducement put in the amendment in order to obtain a reduction of 7½ percent in production.

Third. Payments of not to exceed \$2.80 per hundredweight would be made to producers who voluntarily reduced their marketings below their normal marketing level.

Fourth. Surplus marketing fees in a similar amount would be collected from producers on milk which they marketed in excess of the normal marketing level.

Senators will remember that the Senator from Wisconsin introduced before the committee a measure that would carry out some of these provisions, and the committee, almost unanimously, rejected it. I think two or three Senators supported the proposal of the Senator from Wisconsin.

Second, if the foregoing program is voted down in a referendum, the present program would be continued—that is, price supports at 75 percent of parity, with unlimited production.

This program would provide producers with two choices, both unacceptable to the Government: One choice in the referendum would be to continue about the same program now in effect—no production limitations and 75 percent of parity supports. This program will cost the Government more than \$500 million a year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLAND in the chair). Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. Is it not true that this provision would not cost the Government any more than the bill as now drafted with no dairy section at all, because at the present time the dairy would get 75 percent of parity with no production controls? So it would not increase the cost.

Mr. ELLENDER. The increase in cost would not be very much above what it would be now. I agree with that.

As a matter of fact, I think we had estimates that under price supports of 75 percent of parity, the losses might be as high as \$525 million.

Mr. PROXMIRE. The Department's latest estimate is \$550 million.

The purpose of my amendment is to provide an opportunity to increase dairy income and also reduce those costs over the years.

Mr. ELLENDER. Yes, but when price supports are fixed at from 75 to 90 percent of parity, it seems to me the cost may be a little higher than what the Senator from Wisconsin estimates.

The other choice in the referendum would be 90 percent of parity price supports coupled with holding production to the 1961-62 base.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I modified my amendment to make it apply to the calendar year 1961.

Mr. ELLENDER. The Senator is correct. It would be the 1961 base. That would mean, as I remember the situation, about 1½ billion pounds less than 1962.

Mr. PROXMIRE. The Senator is correct. The change shows how fast output is rising, and why it is urgent that we act at once.

Mr. ELLENDER. This program could cost the Government even more, particularly if there were no reduction in per capita consumption next year.

In connection with the problem, Mr. President, I noticed in the newspaper the other day a statement that fallout was causing a little more strontium 90 in the milk, which may reduce consumption. That, in my opinion, might tend to reduce milk consumption.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Wisconsin?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. The more consumption drops and the more production increases for natural reasons, the more useful my proposal which would

limit production would be. The more it would reduce the other ordinary costs.

I agree with the Senator from Louisiana that the 90 percent price support possibly would result in a higher cost to the Government, but that is on the basis of very extreme assumptions. It is also on the basis of very little reduction in production. I think anybody who reads the terms of the bill will come to the conclusion there would be a reduction. If there is a reduction of only 3 percent, the cost to the Government would be less, although farm income would be substantially higher.

Mr. ELLENDER. I am considering the raw milk value at 90 percent of parity.

Mr. PROXMIRE. The manufacturing milk cost? That would be \$3.73.

Mr. ELLENDER. Three dollars and seventy-three cents, from three dollars and eleven cents?

Mr. PROXMIRE. The Senator is correct; about 62 or 63 cents.

Mr. ELLENDER. The Senator should realize that there would be a great inducement for producers of milk to produce more, which would be used to make more cheese, more dry milk, and other dairy products which would be taken over by Uncle Sam, at a greater cost.

Mr. PROXMIRE. But if the farmers voted in favor of the referendum they would be limited in production. They could not produce more. They would have to use the 1961 base.

Mr. ELLENDER. I understand.

There may be another decrease in consumption, as I said. As Mr. Freeman told us, that was unprecedented last year.

When Mr. Freeman changed the price for raw milk from \$3.40 to \$3.11, he was severely criticized. We were told that there was no basis for that change. He took the position at the time the order was entered that the Government had no butter on hand, had no cheese on hand, and had only small amounts of dry milk; and that because of an anticipated increase in the consumption of milk, due to the increasing population, he could assume an increase in the use of raw milk of about 2 to 2½ billion pounds. If his prediction had come true, the losses would have been much lower than they actually were. I am sure those assumptions were made in good faith; but they did not work out.

I fear that although we used the consumption figures for 1961 we might not reach the estimates, because of the fact that atomic testing has been resumed. On the other hand, with all due respect, there is much truth in what my good friend the Senator stated awhile ago about the increase in costs, thereby decreasing consumption. The Senator will remember that the cost of milk was reduced last April.

Mr. PROXMIRE. From \$3.40 to \$3.11.

Mr. ELLENDER. If the Senator will go to the grocery store, he will see whether the consumer got the benefit of that reduction.

Mr. PROXMIRE. The Senator knows very well the consumer did not get the benefit.

Mr. ELLENDER. He did not.

Mr. PROXMIRE. That is exactly our argument.

Mr. ELLENDER. That is exactly what happened. The unfortunate thing is that the retailers and the middlemen who handle milk use any change as an excuse to further increase the cost of milk.

Mr. PROXMIRE. The Senator is correct. The assumption made by the Department of Agriculture is that if there is an increase in the support price the farmer receives to 90 percent of parity, it will result in a decrease in consumption of 3½ billion pounds. I dispute that estimate, but I have to agree for the purpose of this discussion, because I do not have any independent figures. Even accepting that figure, I think we can show if there is only a 3 percent reduction in production, it will cost the Government less. If there is more of a reduction, the savings would be very substantial, even in the first year.

The alternative is unlimited production with 75 percent price supports.

Mr. ELLENDER. Mr. President, the amendment, as I pointed out a moment ago, is only a temporary expedient which would not correct the basic problems in the dairy industry.

As Senators know, at the present time dairy price support laws provide for supports at from 75 to 90 percent of parity with unlimited production. This amendment would not permanently change either the price support levels or the open end features of the dairy program.

Nor would it correct the situation which exists in many marketing order areas, wherein farmers receive higher prices for fluids milk and somewhat lower prices for manufacturing milk. Under the marketing order program the incentive of a high blend price has generated substantial increases in production. As a result, marketing order areas in which up to 90 percent of the total milk delivered is used for fluid uses now are in the position that excess milk is such a problem that fluid use requirements constitute only about 50 percent of the total milk delivered into the market.

Second, this amendment would provide no assurance that Government costs would be reduced. As a matter of fact, there are some indications that the cost of the program might well increase. In its early representations, the Department of Agriculture estimated that only small savings would be made, but these were only estimates.

Third, this amendment would injure seriously all new producers and all deficit areas which have been expanding production in order to meet the requirements of local markets. I wish to say that the Senator from Vermont brought that out very plainly. Young farmers who have just begun in the business would be prevented from achieving an efficient operational level. Older producers who have achieved efficient operational levels would be required to cut production, thereby decreasing the efficiency of their operation and possibly increasing their cost of operation.

Fourth, a similar plan, when proposed by the administration, was unacceptable

to a large majority of representatives of the dairy industry. They felt that a required national cut might well disrupt normal marketing conditions and practices and create shortages, and perhaps even hardships, in certain areas, especially those areas which are not now producing in excess of their needs.

Fifth, there is considerable doubt that the administrative requirement in implementing a program of this type could be met in time to make the program operative. The new marketing year began on April 1. Already we are in late May and the bill has not, as yet, passed either House. I would doubt seriously that a bill of this nature could pass both Houses, be resolved in conference, approved by both Houses, and signed into law by the President before late June or possibly early July. I hope that I am wrong, but this always must be taken into consideration.

However, the fact is that before a program of this type could be put into operation the Department of Agriculture would have to establish a base for every farmer in the country covered by the bill. The farmers would have to vote in a referendum. The Department would have to determine each farmer's choice with regard to his particular cut in production. The handlers and processors throughout the country would have to establish records for each individual. Procedures for setting up these quotas would have to be established, and a host of other administrative decisions and acts would have to take place before the program could become fully effective.

The administrative difficulties plus the fact that the industry itself is split on the merits of the proposal make it advisable that any action on dairying be deferred entirely until further study is made by the industry and by the appropriate committees of Congress.

As I said previously, it is my purpose to do that very thing by introducing a bill and, I hope, hold hearings sometime this year. I have no intention of trying to obtain the passage of a dairy bill this year, but merely to activate the minds of those engaged in dairying, in the hope that some solution can be arrived at next year.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the senior Senator from Minnesota.

The PRESIDING OFFICER. The senior Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, first, I invite the attention of the chairman of the committee to the following observation: Am I correctly informed that it is the intention of the chairman in the very near future to have rather comprehensive hearings and testimony upon the whole subject of dairy production, distribution and pricing, with the many proposals that have been advanced by Senators as the subject of the testimony?

Mr. ELLENDER. Yes. In order to start the ball rolling, as I said, I have gathered a few ideas of my own from the hearings that were held on the bill before the Senate today. It is my hope to keep the committee busy and get the

people in the industry thinking about the question, so that when we return next year, we shall be able to try to get a realistic bill through. However, my hope is that that will not be necessary. It may be possible for the people in the industry themselves to get together. I hope they realize that the Government cannot continue to pay the enormous subsidies to which I referred a few minutes ago.

Mr. HUMPHREY. My friend, the able chairman of the committee, has expressed two hopes. I trust that both hopes will come to fruition. But with reference to the first hope, namely, that the Senator would hope to get the committee together, that hope could be translated into an expression of the chairman that he will get the committee together to study the many proposals that have been offered. Is the Senator from Minnesota right in assuming that that will be done?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. I thank the chairman.

Mr. President, I intend to submit to the Committee on Agriculture and Forestry a bill relating to the dairy industry. I have always made it clear that at the time of the submission of a proposal, the one submitting the bill should attempt to do the best he can as he sees the problem. I find that when we discuss intricate and complex measures adjustments are required. Changes are needed. I wish the chairman to know that since I offered my proposal in the past week and discussed it in the Senate, I have found that some changes are needed. My friend, the Senator from Wisconsin [Mr. PROXMIRE], pointed out some at that particular time, even as we were discussing the measure I offered on behalf of myself and my colleague [Mr. MCCARTHY]. So we look forward to the hearings.

As the Senator from Wisconsin [Mr. PROXMIRE] has already said, the dairy industry is in serious trouble already. I must say, in all fairness, that when we pass legislation that has as its objective a better market price for wheat and a better market price for feed grains, there is a need to have some balance in the legislation to assure a better market price for dairy products, because ultimately the dairy product is essentially a refined feed grain product. The cow is the greatest processor of feed in the world.

I also feel that the statistics reveal that milk consumption is increasing. There was a period of time a year ago when there was a drop in milk consumption. There has been much speculation as to why that occurred, but no definite knowledge is as yet available. That drop resulted in a very heavy purchase program on the part of the Government because of existing legislation.

The Senator from Wisconsin and the Senator from Minnesota have offered a 2-year amendment, not as a cure-all, but as a short-term measure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. HUMPHREY. The proposal has been offered as a means of tiding us over until long-range dairy legislation can be enacted.

What does the Proxmire-Humphrey proposal embody? First, as its standard it would hold production at the 1961 calendar year levels.

Second, it has a built-in mechanism to hold production; namely, a penalty program under which, if a farmer should produce beyond his allotments, the built-in mechanism would reduce production. A payment program is provided if the farmer cuts as much as 10 percent from his 1961 base. He could cut as much as 25 percent and still be eligible for payments up to \$2.80 a hundredweight. To simplify the problem, if we are to have a dairy program that will be at all effective in stabilizing market conditions and placing some restraint upon production, while at the same time offering price support protection to afford a reasonable price and fair income for dairy producers, we must have some kind of mechanism within the program to hold production down and to cut production back. The Senator from Wisconsin [Mr. PROXMIRE] has now offered an amendment. I am happy to join with him, and wish to pay credit where credit is due. He has taken the leadership on this question and done well with it. What the Senator from Wisconsin has done is to outline for the Senate a proposal which, on its face, first of all, would cut back production from 1962 levels. That is where the start is made. We would cut back to the year 1961 as the base period. That is approximately 117 billion pounds of milk products.

It is desirable to reduce that level below the 117 billion pounds. So the Senator has outlined an incentive payment program for that purpose. That incentive payment program for production cutback was used in the feed grain program and in the wheat program. In part it has worked. It is not a complete answer. It is not as successful as one might like, but it is much better than what we have.

In his amendment, in which I have joined, the Senator from Wisconsin offers a means of curtailing production. The amendment contains a penalty upon expanded production if we are able to get 90 percent of parity price supports. That is the principle that all of us believe in. If one is to receive help from his government, he ought also to be willing to accept some regulation or control over production. Otherwise we shall have the situation which we have today. Today we have a system which affords, 75 percent of parity. A farmer can go ahead and produce, and the government will buy all that the farmer cannot sell. That is exactly what has happened.

Unless something is done to change the situation, we shall run out of refrigeration space. We are in danger of running out of space properly to refrigerate

the products which the Government is compelled to purchase under the present program.

What does the Senator from Wisconsin propose? His amendment may have its loopholes and some inadequacies. I have such great respect for the Senator from Vermont [Mr. AIKEN] on these questions—and what I say is not said in order to flatter him—that when I heard him point out some of the inadequacies of the proposal, the first question I asked was, "What can we do about that?" I know he wants to help the dairy farmer. I know he wants to improve the price structure. I know he wants a more orderly marketing.

I know that his criticisms of a proposal are constructive. I do not want to slide off into some unknown area. I want to chart a course very carefully. The amendment is a good proposal. It has merit. That proposal, plus what is in the House bill, if adopted and brought into conference, where the technicians and the senior members of the two committees can sit down and work it over, may result in a very good provision.

If we do not do something, the cost of this program will continue to rise, go up and up and up. I am not particularly overwhelmed by the thought that we may have some extra powdered milk or cheese on hand. We need it. I am not concerned over that fact. There is a limit set in the Proxmire amendment, and it is a reasonable adjustment. I hope the Senate will support it.

Mr. PROXMIRE. Mr. President, I wish to take only a few minutes to sum up. First, I wish to emphasize the compelling fact that the dairy farmers' income is disgracefully low. Yesterday, as the Senator from Vermont [Mr. AIKEN] said, a blow was struck at the dairy farmer, which will increase his costs and lower his income still further. Senators voted for it, I am sure, with the best of intentions, believing it was necessary, but, I am sure, also with a heavy heart.

Now we have a chance to do something for the dairy farmer. We must recognize the fact that the dairy farmer works longer hours than any other farmer in the country. He must have a very big investment. The average is \$40,000. He takes big risks. His income throughout the country has averaged 65 cents or 75 cents an hour. We cannot permit this situation to continue.

What we propose is an alternative to nothing. There is nothing whatever in the pending bill of benefit to the dairy farmer. There is no dairy section. If the amendment is not adopted, the dairy farmer will continue to have no controls on production, and no opportunity to have any controls on his production.

He will continue to get only 75 percent of parity. We know what is going to happen. The statistics underline the urgency of our taking action now, and bringing to a halt the rise in production of milk. In the 1960 marketing year the production was 114 billion pounds. In the current 1962 marketing year the figure is about 120.5 billion pounds. That

is an increase of 6 billion pounds in 2 years. My amendment would halt the production rise, and give consumption an opportunity to catch up. It would give the dairy farmers in West Virginia, Vermont, Rhode Island, and Florida an opportunity to vote for an adequate income.

I submit that under any reasonable interpretation of the cost of the Government it would mean that the cost would be less.

As the Senator from Minnesota [Mr. HUMPHREY] has said, this is a temporary program of 2 years. We have never had a quota program for dairy farmers. Does it not make good sense to try it out for a temporary period, so that we may have a chance to look at it and see how it works before we enact permanent legislation?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am delighted to yield to the Senator from Rhode Island.

Mr. PASTORE. Has the Senator's amendment been considered by the committee?

Mr. PROXMIRE. The amendment was considered by the committee. The committee voted on it but turned it down.

Mr. PASTORE. Has the plan which is being suggested by the Senator from Wisconsin been endorsed by the administration?

Mr. PROXMIRE. No; the administration had another proposal. It had a proposal which was similar in many respects. The basic principles of the two proposals were the same. The difference is that the administration's proposal would have provided for lower level of price supports if the farmers voted no, and also a somewhat lower level if they voted in favor of it.

Mr. PASTORE. The Senator from Rhode Island is not being critical, but merely curious as to what the amendment of the Senator from Wisconsin would accomplish. I understand that he would provide a 90-percent rigid parity price. Is that correct?

Mr. PROXMIRE. Under my amendment, farmers would vote in a referendum. If one-third or more voted "no," the present situation would continue.

If two-thirds or more voted "yes," they would have to limit their production to what they produced in 1961. That would mean a cutback in production. It would also mean that they would be paid, if they voluntarily wished to do so, to reduce their production even below the 1961 level, in an amount which would result in a saving to the Government. It would be \$2.80 a hundredweight. Today the Government pays more than this to acquire dairy products for price support.

Mr. PASTORE. What would the parity be?

Mr. PROXMIRE. It would be 90 percent, or \$3.73.

Mr. PASTORE. It would be a rigid parity.

Mr. PROXMIRE. It is a rigid parity now. It would be anyway.

Mr. PASTORE. Is the formula that is being suggested by the distinguished

Senator from Wisconsin with reference to milk and dairy farming somewhat different from the formula in the two amendments which were adopted yesterday?

Mr. PROXMIRE. The basis is very similar. The principle is similar. If farmers vote for controls, they get a higher price.

Mr. PASTORE. Perhaps I have not made myself sufficiently explicit. The Senator tried to make a comparison between what was done yesterday with reference to graingrowers and what we should be doing today with reference to dairy farmers.

Mr. PROXMIRE. Yes; I did.

Mr. PASTORE. I am trying to assimilate that information and find out if the relief would be identical.

Mr. PROXMIRE. No; it is not identical. It is different. The reason I believe the action we took yesterday makes action of this kind necessary and important today is that yesterday we increased the costs to the dairy farmer. Therefore, we should give the dairy farmer an opportunity to vote, if he wishes to do so, to get a higher price if he will limit his production. Why is that not fair? The relief is not identical.

Mr. PASTORE. Yesterday we did all these things to limit production so as to do away with our surpluses and so diminish the burden of expense on the taxpayer in the paying of storage fees, which payment in some instances has resulted in scandals.

Mr. PROXMIRE. That is exactly what the dairy amendment would do for dairying.

Mr. PASTORE. The Senator has not said so.

Mr. PROXMIRE. It would not operate in precisely the same way. The dairy farmer would not have the same levels of parity. But the principle of the program is the same.

Mr. PASTORE. Why does not the Senator make it as flexible in his case as was done yesterday? Why does he propose a 90-percent rigid parity?

Mr. PROXMIRE. My answer is that this is a temporary program, a temporary program, a 2-year program, and farmers have a right to know exactly what price they will be voting on.

Mr. PASTORE. Is the Senator's justification that it is a temporary program?

Mr. PROXMIRE. No, but we have never had a referendum for dairy farmers. We have had referendums for wheat and other crops. But a quota program for milk is a brand new departure, and I think it makes sense to enact it for a temporary period in the first instance.

Mr. PASTORE. Does not the Senator from Wisconsin feel it would be much more appropriate if the amendment were referred to the committee, so that there could be full hearings and a full record?

Mr. PROXMIRE. I am delighted to answer that question. There were full hearings on it. The Senator from Louisiana and the Senator from Wisconsin were present at most of the hearings. The Senator from Louisiana was there

practically all the time. So was I. There were also full hearings on feed grains. Concerning feed grains the committee said "No." It said it did not want the mandatory feed grains program. Then we came to the floor; and the Senate, in its wisdom, decided to reverse the action of the committee.

It seems to me that in the interest of consistency, the Senate should do the same thing with regard to the dairy situation. The Senate also reversed the committee with respect to wheat. It should do the same thing with regard to dairying. The Senate reversed the committee on feed grains, and that has adversely affected the dairy farmer. My amendment would tend to mitigate the adverse effect.

Mr. PASTORE. Does the Senator have any figure which would indicate what the price to the consumer of milk would be under the present system and under his amendment?

Mr. PROXMIRE. It is unfortunate, perhaps, that the price of milk is not reflected by what happens to the price the farmer is paid. This year, only 2 months ago, the price of milk to the farmer was reduced by about 10 percent. It was reduced from \$3.40 to \$3.11. I ask the Senator from Rhode Island to ask his wife, "Are you paying less for your milk?" Of course not. What happens, as the Senator from Louisiana said a few minutes ago, is that the retailer merely absorbs the margin.

Mr. PASTORE. But what if the Senator's amendment should be adopted? What can I tell my wife that she will have to pay? Will she have to pay less or more?

Mr. PROXMIRE. The adoption of my amendment probably would not have much effect, because the history of the program since 1949, when the program was adopted, does not show a cause and effect relation.

Mr. PASTORE. The adoption of the amendment would not have very much effect, but the price would be higher.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Milk would not cost a cent more. The cost of butter might be a little higher, but not the cost of milk, because fluid milk is controlled by marketing orders. We would like to be able to get as much for milk out our way as farmers elsewhere receive.

Mr. PASTORE. I merely wanted to know the facts, so that I might be guided in my vote.

Mr. HUMPHREY. With respect to butter, the adoption of the amendment might possibly result in an increase of a cent or two a pound; but on fluid milk, for consuming purposes, no, because fluid milk is controlled by marketing orders.

Mrs. NEUBERGER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mrs. NEUBERGER. The consumer may not notice a change in the price of a quart of milk, but will he know it when he pays his taxes? Will he be aware of a reduction in taxes?

Mr. PROXMIRE. The taxpayer would benefit from my amendment, because it

would result in a reduction of the production of milk; therefore, it would result in a lower acquisition cost to the Commodity Credit Corporation.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. The questions asked by the Senator from Rhode Island were pertinent and highly important. The bill I introduced in the Senate last week in behalf of myself and my colleague from Minnesota [Mr. McCARTHY] embodied the very principles which were built into the feed grain storage measure, and into the amendment which the Senate adopted yesterday namely, to provide allotments and controls to enable the farmer to get better prices for his commodities. If one does not accept allotments and controls under the referendum, he will have to accept a drop in base support each year—from 75 to 70 percent, from 70 to 65 percent, from 65 to 60 percent, and so on—for a 5-year period. In other words, adjustments would be made in terms of lower costs to the Government for shorter supplies. That is a rather far-reaching proposal. But I have come to the conclusion that that proposal would be better handled by taking it before the committee in the regular order of legislative procedure. However, the point is made that so far as the principle of the bill is concerned—the principle in the Humphrey-McCarthy proposal introduced last week—it is one of a flexible type of price support schedules with allotments and a base period.

If one does not accept the referendum allotment in the base period, and the plan of penalty payments for overproduction and incentive payments for cooperation, the price support levels will drop 5 percent each year for 5 years. That is tough legislation; it is far-reaching legislation. I had not intended to offer it today; but unless we can obtain some relief from an incredibly difficult economic problem, possibly we shall have to revise our calculations and consider whether to offer the proposal.

Mr. PROXMIRE. Mr. President, if the Senator from Louisiana is willing to yield back the remainder of his time, I will yield back the remainder of my time, and then the Senate can vote.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment, as modified, of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. HUMPHREY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. What is the pending business? What is the question on which the Senate is about to vote?

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. HUMPHREY. And the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HICKEY], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Utah [Mr. MOSS] are absent on official business.

I also announced that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Louisiana [Mr. LONG], the Senator from Missouri [Mr. LONG], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. MOSS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from California would vote "nay," and the Senator from Wisconsin would vote "yea."

The result was announced—yeas 13, nays 70, as follows:

[No. 61 Leg.]

YEAS—13

Bartlett
Burdick
Douglas
Hart
Hartke

Humphrey
Jackson
Kefauver
Long, Hawaii
McCarthy

Morse
Proxmire
Young, Ohio

NAYS—70

Aiken
Allott
Anderson
Beall
Bennett
Bible

Boggs
Bush
Butler
Byrd, W. Va.
Cannon
Capehart

Carlson
Case, N.J.
Case, S. Dak.
Church
Clark
Cooper

Cotton
Curtis
Dirksen
Dodd
Dworshak
Eastland
Ellender
Engle
Ervin
Fong
Goldwater
Gore
Hayden
Hickenlooper
Hill
Holland
Hruska
Javits

Jordan
Keating
Kerr
Lausche
Mansfield
McClellan
Metcalfe
Miller
Monroney
Morton
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty

Randolph
Robertson
Russell
Saltonstall
Scott
Smith, Mass.
Smith, Maine
Sparkman
Symington
Talmadge
Thurmond
Tower
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.

NOT VOTING—17

Byrd, Va.
Carroll
Chavez
Fulbright
Gruening
Hickey

Johnston
Kuchel
Long, Mo.
Long, La.
Magnuson
McGee

McNamara
Moss
Smathers
Stennis
Wiley

So the amendment, as modified, was rejected.

Mr. McCARTHY, Mr. CASE of South Dakota, and Mr. MORTON addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Minnesota is recognized.

Mr. McCARTHY. Mr. President, I call up my amendment designated "5-24-62—E."

The amendment offered by Mr. McCARTHY is as follows:

On page 66, between lines 6 and 7, insert the following:

"SUBTITLE C—DAIRY SURPLUS REDUCTION

"SEC. 330. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

"In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

"SEC. 331. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (1) \$2.50 per hundredweight of milk, basis 3.82 per centum

butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

"SEC. 332. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with the Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 333. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

"SEC. 334. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of

milk may take with him all or any portion of his normal marketing level.

"SEC. 335. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 331, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

"SEC. 336. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

"SEC. 337. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"SEC. 338. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section."

Mr. McCARTHY. Mr. President, this amendment relates to the dairy program, and I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Wisconsin.

MUST HALT BASE RACE

Mr. PROXMIRE. Mr. President, I regret that my dairy plan has not won approval, but there is good reason to think that some mandatory quota plan for milk may be enacted in the near future. Accordingly, many farmers understandably are now seeking to build a base for any program, whether enacted this year or in some future year. I think that it would be most helpful to make clear legislative history right now that, in any supply management program for dairying, whether enacted this year or in some future year, 1961 bases and/or earlier bases will be used.

I hope such a statement of intent will be given wide publicity by the press and radio at the earliest possible date, to prevent possible future misunderstanding.

Unless such action is taken soon, the consequences for our farm programs are both serious and predictable. In an effort to build a base for future supply management programs, farmers everywhere will milk every extra cow, whether this is a wise herd management plan or not.

I think we should take steps to halt this base race at once. If not, it is going to work a hardship on the dairy farmer and the Federal Treasury.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. I think the Senator's words of advice are very well founded. I hope something like what he proposes can be done.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. What amendment is before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Minnesota [Mr. McCARTHY], designated "5-24-62-E."

Mr. ROBERTSON. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield to the Senator from Virginia.

Mr. ROBERTSON. I have had placed on the desks of all Senators an amendment which I have prepared, which I intend to offer after consideration of the amendment of the Senator from Minnesota and the amendment to be offered by the Senator from South Carolina.

Under the proposed amendment the President would be authorized to give to our needy friends in Africa and in Asia, but primarily to the starving Chinese in Hong Kong, our surplus feed grains. It would not cost us anything, because we are now spending 15 cents a bushel or more to store the grain. In 7 years it will go down the drain.

We cannot have a meaningful referendum as to turning our farmers back to the free enterprise system with this surplus grain hanging over their heads.

The amendment would provide for a limit of \$300 million a year on the giveaway, to the extent it is necessary to give away the surplus corn, barley, and grain sorghums, over and above a proper carryover, and what is necessary for export; provided, that the feed grains are given away in a manner which will not affect our commercial markets and in such a manner that they will not go to any Communist country.

The explanation of the amendment is on the desk of each Senator. This is the way we can help our farmers start back on the road to a system of private enterprise. I hope Senators will be in the Chamber and will give me help in the adoption of the amendment, because it is one of the real solutions to the farm problem. We cannot solve the farm problem when there is a great surplus hanging over the farmers' heads.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. PASTORE. I commend the Senator from Virginia. I have a question to propound, and I hope we can search out an answer.

Is there any mechanism provided in the amendment which would insure that the people themselves would get the grain?

Mr. ROBERTSON. The amendment provides that the grain would go to the people. The President will have to handle the program. I cannot say whether the politicians or the people would get the grain. The amendment provides that the grain would go to the people, and primarily we want it to go to the starving Chinese in Hong Kong.

In the midst of unparalleled abundance, we cannot stand unmoved by the stock tragedy of famine in that Crown Colony.

Also, we should like to get our farmers back on the road to private enterprise. Why should we pay for storage of this grain, when we can use it to help starving people?

Mr. PASTORE. I commend the Senator for his noble idea. Why should we hoard, indeed, when stark hunger drives innocent men, women, and children into our arms for help. The proposal is most humane.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from South Carolina.

Mr. McCARTHY. Mr. President, I believe I have control of the time.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. McCARTHY. Mr. President, I was glad to yield to the Senator from Virginia. I did not know he was going to speak on his amendment.

Mr. ROBERTSON. I should be glad to have the Senator take time on my amendment, when consideration of it is reached.

Mr. McCARTHY. I was pleased to yield to the Senator. I commend the Senator from Virginia, and I indicate my interest in his proposal.

Mr. THURMOND. Mr. President, will the Senator yield? I should like to ask the Senator from Virginia a brief question.

Mr. McCARTHY. I yield to the Senator for a question.

Mr. ROBERTSON. I shall be glad to have it taken from the time on my amendment.

Mr. McCARTHY. That is not necessary.

Mr. THURMOND. Mr. President, I should like to inquire with regard to the proposal of the Senator from Virginia. My understanding is that some years ago, when the United States sent wheat to Poland, the people of Poland never knew that the wheat came from the United States. The bags in which the wheat was given to the people did not bear the name of the United States or anything else to indicate that the wheat came from this country.

I was wondering if the amendment proposed by the Senator from Virginia contains anything to indicate that the U.S. Government is giving this grain, so that the people who receive it will know we are friendly and are trying to help them.

Mr. ROBERTSON. The amendment does not specify the exact manner in which the grain is to be labeled. That should be the policy. Every bag of food should have a picture of Uncle Sam and a picture of our flag on it, so that the people will know from where it came.

If we had done that in 1948 and 1949, we would have many more friends in Europe than we now have. The people there thought the politicians were handing the things out to them, and they gave the United States no credit.

Mr. THURMOND. Mr. President, I think the Senator is exactly correct. If the amendment does not cover that subject, I wonder if the Senator will consider embracing within it a sentence stating specifically that the containers in which the grain is delivered should bear the appropriate U.S. designation.

Mr. ROBERTSON. I would accept any appropriate amendment, but I do not know what the containers will be.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I wish to say to the distinguished Senator from Virginia that I think his proposal has much merit. As I said last night when we were discussing this same subject, I think two tests should be provided. First, the recipients should be very carefully screened, to make sure that we are not feeding any Communist agents. Further, there should be some protection against black marketing. I have vivid recollections that even in Nationalist or Mainland China, in the latter stages of the Second World War, there was considerable black marketing of the U.S. equipment. We would not wish to have that happen.

Mr. McCARTHY. Mr. President, my amendment proposes the language which was adopted by the House Committee on Agriculture relating to the dairy industry, with two significant changes which are included in section 335.

Under that section the Commodity Credit Corporation is to be given "authority to make supplemental payments to producers of milk for manufacturing

who enter into agreements under section 331, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk."

The amendment, together with the language reported by the House Committee on Agriculture, relates to a dairy program which, in the first place, would be entirely voluntary. No referendum would be involved. No farmer would in any way be compelled to do anything he did not wish to do. No farmer would be required or forced to sell any cows or to reduce production of the cows he has.

The program, according to the estimates of economists in the Department of Agriculture, would cost no more than the present dairy program under which the Government is required to support the dairy products at \$3.11 per hundred-weight with unlimited production. There is a possibility that it might save the Government some \$50 million, depending upon the measure of the signup.

I make the further point that if the amendment were adopted there would be no increase, as a result of the program, in the price of dairy products in the market, either as respects whole milk or manufacturing milk as it comes on the market in various forms, or butter or cheese. The prices in the marketplace would not be affected in any way as a result of the adoption of the amendment.

The significant thing is that, depending again upon the measure of compliance, there is a possibility that between \$150 and \$200 million of Government tax money, which under the existing system would go into storage costs and into the costs of offsetting deterioration and waste, would go into the hands of the farmers directly, without any cost to them or any waste on the part of the Government or the farmer himself.

I am sure it is not necessary to review the statistics that are available, demonstrating that the dairy industry is in serious economic trouble, and that the dairy program, which is a part of the general program, is also in serious trouble. The income of the family dairy farm is inadequate, and under the existing dairy price-support program which provides for 75 percent of parity, it is now estimated that the cost to the taxpayer will be over \$500 million this year, which is about the same amount as it cost last year.

The President of the United States in his farm message, and the Secretary of Agriculture in testimony before the Committee on Agriculture and Forestry of the Senate, along with representatives of major dairy groups and farm groups, all were in agreement that the dairy problem is serious. Nonetheless, it was not possible to reach an agreement on a specific program in the Senate Committee on Agriculture and Forestry, and the farm bill was reported as we have

it before us today without any type of dairy program.

The Senator from Wisconsin [Mr. PROXMIER] recommended a program. He presented it to the Senate, and it was voted down. It was a program which I think had great merit. It was proposed as a temporary program, or one that would be limited in duration. It nonetheless had in it the essentials of a program that I think must be adopted if we are to have a permanent and workable dairy program as a part of the general farm program. I have little hope that we can secure the adoption of a permanent dairy program at this session of Congress. I am not proposing any such program today. My proposal is an emergency program. It would operate only until the end of the present marketing year, which is March 31, 1963.

In many respects the amendment is in purpose and structure similar to the emergency feed grain program which was adopted by Congress last year. We reached agreement on a temporary feed grain program; it cut surpluses; and it raised farm income. It provided some experience upon which to develop a permanent program for the future. I am suggesting that the same course of action be followed today with regard to a dairy program. I am satisfied that if Senators were familiar with this proposal they would see little reason for turning the program down as a temporary program.

The Committee on Agriculture of the House has approved an emergency dairy program for the marketing year ending March 31, 1963. Their proposal is a voluntary program in which farmers would be paid up to \$2.50 a hundredweight for reducing production.

All other production would be supported at the basic 75 percent of parity—approximately \$3.11 per hundredweight.

Under present law, unlimited production of dairy products at 75 percent of parity support is permitted. In 1961 and 1962 the Government purchased 435 million pounds of butter, 194 million pounds of cheese, and approximately 1,200 million pounds of nonfat dry milk.

Government purchases removed about 9 percent of the total milk fat that was produced and about 13 percent of the total nonfat milk that was produced in this country; altogether, this amounts to about 10 percent of the approximately 125 billion pounds of milk produced in the United States in that production year.

Today the Government has on hand 283 million pounds of butter, 85 million pounds of cheese, and 325 million pounds of nonfat milk. It is estimated that in this next year the Government will have to spend something like \$550 million in the purchase of milk products under the 75 percent of parity program which is now in effect.

There is some evidence that under the program, which we might have expected to discourage production, there is a likelihood of even expanded production in this marketing year. In the face of this what action can we take? Of course we can let the situation drift on and let the farmers get \$3.11 a hundredweight, and we can say, "Let them learn their les-

son, and then come back and say, 'We want a mandatory program,' or we can today take some effective action to alleviate the burden on the Government, develop some experience with a dairy program, and improve farm income. We can see to it that what is paid out by the Government in the way of dairy price supports goes to the farmer and is not wasted in storage charges and in meeting the cost of deterioration and waste.

The House committee bill provides a voluntary program with payments to be made to producers who agree to reduce their marketings. It imposes no quotas. It does not provide penalties.

My amendment retains the House proposal, but it is my opinion that it is not sufficient to meet either the long-range problem in the dairy industry or even to be effective as a short-range solution. But it does offer some incentive to help achieve what all the evidence and all the data suggests might be accomplished—at least a limited reduction in the volume of production.

The House bill would permit the Commodity Credit Corporation to enter into agreements with producers who agree to reduce the marketing of their milk and dairy products below either their 1961 marketings or their current level of marketings.

Producers who cooperate must reduce their marketings by not less than 10 percent nor more than 25 percent, or 7,500 pounds of milk for any quarter of the marketing year. Cooperating producers will be compensated for that reduction, but the payments shall not exceed, first, \$2.50 a hundredweight; or, second, that amount which the Secretary determines necessary to secure a reduction in marketing, or, third, the cost of acquiring an equivalent quantity of dairy products.

The House bill further provides a procedure by which marketing agreement orders can be adjusted so that the reduction of the volume of production of any producer shall be considered as made from the lowest class use under the marketing orders and agreements, thereby protecting his share in the highest use class of milk.

Finally, agreements are to be limited so as not to bring about a reduction in any of the 15 districts of more than 10 percent of the total marketing in that district in the preceding year. These, I believe, are important adjustments which are necessary, whether my proposal is adopted or not.

The amendment I offer incorporates that section of the House bill, but it goes beyond and provides the Secretary of Agriculture with an additional procedure—which he is free to use but is not required to use—in order to reduce the volume of production of dairy products which must be supported by the Government.

The Secretary would be authorized under my amendment to make supplemental payments to producers of milk for manufacturing purposes. In addition, he would be authorized to make surplus reduction payments. The amount of such supplemental payments may not exceed the difference between

the U.S. average price at wholesale of milk for manufacturing and 90 percent of the parity price for that quantity of such milk. In effect, the amendment would give the Secretary authority to adjust compensatory payments between 75 percent and 90 percent of parity.

The Secretary could determine the level of payments required to effect a reduction. It could be, for instance, at \$3.40 per hundred. Those who do not enter the voluntary program will operate under existing law and receive price supports of 75 percent of parity, or about \$3.11. But those who cooperate in meeting the problem of surpluses would be assured of a somewhat better price than those who do not enter into agreement.

Mr. President, I should like to return to the parallel with the emergency feed grain program. Under that program we provided payments to farmers for their idle acres. At the same time the farmer was assured a support price above the market price.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. TALMADGE. Do I correctly understand that the amendment proposed by the distinguished Senator from Minnesota is purely voluntary in its scope?

Mr. McCARTHY. It is entirely voluntary.

Mr. TALMADGE. It does not in any way purport to set up a quota on milk, either regional or nationwide, so far as production is concerned?

Mr. McCARTHY. No; it would not set up any such quota.

Mr. TALMADGE. It proposes to pay compensation to farmers who voluntarily reduce their milk production. Is that the idea?

Mr. McCARTHY. It would, on the one hand pay them up to \$2.50 per hundredweight for reducing production. They would not have to be paid that much, because the Secretary could set the figure lower than that. On the other hand, it would provide for increased payments for those who reduced their production by 10 to 25 percent.

Mr. TALMADGE. Does the Senator have any idea as to the cost of his proposal to the Government?

Mr. McCARTHY. It would depend on the measure of compliance. There is a possibility that it might save the Government something like \$50 million. Another estimate is that it would not result in any increase of cost beyond what it costs to carry the existing program.

Mr. TALMADGE. There would be no additional cost to the Government if the amendment were adopted?

Mr. McCARTHY. If those in the Department of Agriculture who have examined it are correct, there should be no increase. As they see it, there should be no increase; and certainly there would be no increase above the cost of carrying the existing program. The Secretary can adjust the rates of payments.

Mr. TALMADGE. In the event that the amendment is agreed to, what will prevent farmer A from reducing his production, benefiting from the terms of the

amendment, and then lending or renting his cows to farmer B, who will increase his production?

Mr. McCARTHY. Of course this is a problem. This difficulty also exists in the House committee bill. There is the possibility of improper transfers.

Mr. TALMADGE. Therein lies the danger, I believe. There is much merit in the Senator's position. It seems to me that unless some method is found to keep the farmer from merely letting his neighbor, son-in-law, or some other member of his family have his cows and milk them while he himself reduces his own production, not much reduction could be achieved under the Senator's amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. It is my understanding that the Senator from Minnesota provides that the Secretary of Agriculture can establish administrative procedures to prevent the transfer of cows.

Mr. McCARTHY. The House bill which I have incorporated in my amendment has a provision in it to the effect that the Secretary of Agriculture shall have authority to assure that a producer's reduction is not offset by the transfer of milk cows for such purpose. Such a provision might be difficult to enforce.

Mr. TALMADGE. I was about to ask the Senator how it could be enforced.

Mr. McCARTHY. I do not have it spelled out. However, if we are to have a voluntary program, it seems to me the only way we can have it is in this way. The alternative is complete control.

Mr. TALMADGE. I thank the Senator, and I compliment him for his desire to assist the dairy farmer. Having sat with him on the Committee on Agriculture and Forestry for some years now, I know of his intense desire to assist the dairy farmer.

Mr. McCARTHY. I thank the Senator from Georgia.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MUSKIE. I believe I understand this point clearly from the Senator's presentation. Nevertheless I should like to nail it down, if I can. There would be no penalty or disability attached to any dairy farmer who did not choose to participate in the program.

Mr. McCARTHY. None whatsoever. Instead of payments for dairy products which go into storage, the tax money which might be spent would be paid in two ways. First, it would be paid for the reduction of the volume of milk produced, up to \$2.50 per hundredweight. On the other hand some portion could be paid out in supplemental payments in such amounts as the Secretary would determine, for the most part directed to the farmer. The price to the consumer would not be raised, since the supplemental payment method is proposed. The best estimates are that the cost to the Government under this program would be no greater than at the present time, and might be significantly reduced.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HUMPHREY. I think it is fair to say that in connection with any of these proposals, when we are wrestling with dairy production and dairy prices, there are many difficulties because of the nature of the dairy production and dairy farming. It is my view that if we are to prevent the transferability of cows from one farmer to another, or even from a farmer into the stockyards and back to the farmer, it is necessary to have some rather severe strict controls, including allotments.

Obviously the Senate is not prepared to accept that kind of provision. We had a vote on the Proxmire proposal, which included some allotments. It was an emergency proposal. It was limited. The vote was taken, and we know what the attitude of the Senate is.

The next question is, Do we want to continue with the present program? My colleague has made it crystal clear, as did the Senator from Wisconsin, that the present program piles up more and more surpluses in the hands of the Government and really endangers the future of dairy production.

If we were to have 110 billion pounds of milk production in the coming year, what would we establish as the base period when we get back to the point where we wish to establish some order? Are we going to cut dairy production back 20 billion pounds as a start? If we do that, we shall have no program. My colleague from Minnesota has offered a program, and I wish to review it with him, to reduce it to its simplest terms. First, it is a voluntary program.

Mr. McCARTHY. Yes.

Mr. HUMPHREY. It has no allotments.

Mr. McCARTHY. No allotments.

Mr. HUMPHREY. It has no penalties.

Mr. McCARTHY. No penalties.

Mr. HUMPHREY. It has incentives. Is that correct?

Mr. McCARTHY. It has incentives.

Mr. HUMPHREY. For the reduction of production.

Mr. McCARTHY. For the reduction of production. It provides, first, payments for not producing, up to \$2.50 a hundredweight. On the other hand, it gives the Secretary of Agriculture authority to increase the payments above 75 percent of parity to those who voluntarily reduce their production from 10 to 25 percent.

Mr. HUMPHREY. So on the one hand, when a farmer reduces production to a certain percentage, he gets a payment for reduction, and he also gets payment in the form of a better price for himself, in terms of better income.

Mr. McCARTHY. On the remaining production.

Mr. HUMPHREY. On the remaining production, which he can call a type of reduction payment or compensatory payment.

Mr. McCARTHY. In the same way as we proceeded under the emergency feed grain program.

Mr. HUMPHREY. Exactly. Then is it not true that the Senator's proposal would not increase consumer costs?

Mr. McCARTHY. It would not increase consumer costs, because the supplemental payment provision would allow the Secretary to make the payment outside of normal market channels. There should be no reflection of this in the price of butter, milk, cheese, or any product of manufacturing milk.

Mr. HUMPHREY. The cost which the Senator outlines would not add to the stocks in Government warehouses, would it?

Mr. McCARTHY. It would not add to the stocks; it would prevent an additional accumulation of dairy products in Government stocks; and the estimate is that it would not cost any more than the existing program. The estimates have been that it could be many millions of dollars less expensive, and that between \$150 million and \$200 million would go directly to the farmers rather than into dairy products for storage.

Mr. HUMPHREY. I think the Senator has presented a reasonable, acceptable, modest proposal. I believe Senators ought to ponder what the amendment contemplates. First, if we continue with the present program, we shall get into more and more trouble costwise, to producers, to the Government, and to consumers. Second, the program outlined by my colleague from Minnesota, while it may not be the final answer—and he does not propose it as such; he proposes it as an interim program, until the committee of which he is a member can hold further hearings and make a further evaluation of the dairy problem—would afford a means for the farm producer to get better income and make him at least worthy of being within the farm producer group. Other producers are to get better incomes. The cotton producer, the rice producer, the wheat producer, the tobacco producer, and the feed grains producer are all under this program. They will be benefited.

The Senator from Minnesota proposes that if a farmer cooperates to reduce his production, if he disciplines himself voluntarily, he shall be rewarded with a better price for what he does. At the same time he will not be adding to Government stocks. Also, at the same time the consumer will not have to pay more in the grocery store, the chainstore, the supermarket, or the dairy shop.

I believe there is another point which needs to be brought out. It is the Department's estimate that if the worst possible development should occur under the McCarthy proposal, it would not cost any more than the present cost to the Government, but would provide more income to the farm producer, and he would spend the additional income to generate commerce, employment, industry, and possibly some revenue for the Treasury.

I do not see how we can really leave a farm bill without trying to do something constructive for the dairy farmer.

My colleague from Minnesota knows that I believe his proposal not only has genuine merit but goes much deeper. It involves a question of equity and social

justice. We cannot ignore a group in the economy that has taken the biggest licking, the biggest cut in income of any single farm group within the past year. That is why I supported the original Proxmire proposal. I told the Senator from Wisconsin I did not think his amendment had all the ingredients of a full, total program, and that it had its limitations. He was the first to recognize it.

I have introduced a proposal—a long range proposal—on behalf of my colleague from Minnesota [Mr. McCARTHY] and myself. We do not plan to have it adopted on the floor of the Senate. There is no need to try to go through the motions. However, I think my colleague has made a worthy proposal, and I appeal to Senators from other parts of the country to give us at least some breathing time, a working period, in which to iron out certain difficulties. I believe the McCarthy amendment would accomplish that purpose, and I compliment my colleague for offering it.

Mr. McCARTHY. Let me give an example of how my proposal would work in the case of a farmer who markets 100,000 pounds of milk a year.

As the program now operates, the Commodity Credit Corporation can be expected to purchase about 10 percent of this amount, or 10,000 pounds, in a single marketing year. With a support price of \$3.11, it costs the Commodity Credit Corporation about \$4.15 for each 100 pounds to purchase this surplus, plus handling and storage costs.

Under my amendment, the producer might agree to reduce his production by 10 percent and become eligible for payments. For reducing production he could receive payments up to \$2.50 a hundred pounds, or a payment of \$250 if he reduced his production by 10,000 pounds. This would keep his net income at exactly what it was if he were producing 10,000 more pounds of milk. In addition, there would be \$165—the difference between \$415 and \$250—which could be used to increase his income on the milk he produced. That would be \$165 with which to work on the income side of the production of the particular farmer.

The \$415 cost under the present program, if all of it were paid to the farmer on 90 percent of his production, instead of being used to buy butter and place it in storage, would actually increase his return to \$3.57 a hundred pounds—an increase from \$3.11. This would increase his net income, if he complied to the full extent, from \$150 to \$200 above that which he gets at the present time.

If he produced it all and got \$3.11, he would receive about \$3,110 in income for the year. If he participated fully in this program, the \$250 paid to him for cutting down production and the other \$165 by way of supplemental payments, the income on milk alone would be \$3,213, or something more than a \$100 increase.

If we take into consideration the reduction in feed costs and the cost of handling, his income would be increased from \$150 to \$200 a year, as a result of this program, with no increase whatsoever to the Government.

I think this example, applied to a very small producer, is an indication of how, depending upon compliance, the proposal would affect the total dairy industry, and how the Government program would be benefited.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. I wholeheartedly and enthusiastically support the amendment of the Senator from Minnesota. We have seen in the past few days that a large number of Senators are opposed to mandatory controls. They showed that yesterday in their vote, and they showed it even more emphatically today in their vote on my amendment. They oppose controls, even though they are voted voluntarily by two-thirds of the farmers themselves.

As the Senator has said, his amendment provides no quotas or restrictions; compliance would be voluntary.

Second, an even larger number of Senators are deeply concerned about the cost of the farm program. All of us are concerned with the consequences if programs are not adopted which will reduce costs sharply.

The merit of the amendment of the Senator from Minnesota is that it is voluntary, and can reduce costs. In connection with the reduction of costs, the great merit of the proposal of the Senator from Minnesota is that it puts the Secretary of Agriculture in a position where he can use his judgment and make payments up to \$2.50 a hundredweight. He also would be enabled to make a judgment concerning production payments between \$3.11 and a higher price, so it would be possible for the Secretary of Agriculture to tailor the program so that, in the first place, he could make certain it would cost no more. He could also provide a balance between the incentive payment to the farmer to reduce his production, which cannot result in an extra cost to the Government. So in this sense, it seems to me the amendment provides an opportunity for the Secretary of Agriculture to show his administrative ability and save a substantial amount of money, while increasing farm income. I think we agree that the Secretary of Agriculture earnestly wishes to do both those things.

It seems to me that we ought to underline and emphasize the fact that at present the dairy farmer has no opportunity to increase his income significantly except by increasing production. When he does so, a terrific burden is placed upon the taxpayers. He now gets a price support of 75 percent, which is very low, having been cut 10 percent only 2 months ago, so he is suffering seriously. The proposal of the Senator from Minnesota would provide him an opportunity to increase his income. In view of what happened in the Senate yesterday, if the dairy farmer is not accorded that opportunity, he will be at a serious disadvantage.

I also wish to emphasize that the Senator has offered a practical amendment.

The House has already considered this, and has accepted a similar provision as part of its version of the bill.

This is not a proposal which is far out or has not been given careful consideration. It has been given careful consideration by the House. The administration itself included in its proposal a similar provision. It is true that it related to a mandatory program, but I would say that in a sense it was a key part of the provision proposed by the Department of Agriculture, and the amendment of the Senator from Minnesota would preserve that.

Finally, Mr. President, the amendment of the Senator from Minnesota should be adopted because the alternative would be so bad—very bad for the farmers and very bad for the taxpayers. Furthermore, as the Senator from Minnesota has pointed out, the consumer would not have to pay a nickel more. Just as much milk would be sold, and at as low a price.

So I warmly support the amendment of the Senator from Minnesota. I believe it is a very good one.

Mr. McCARTHY. I thank the Senator from Wisconsin.

Mr. President, I think this amendment will bring us as close as we can come to the desired goal, without imposing mandatory controls.

The point the Senator has made is a very good one, as regards how to avoid such transfers. I think the House version of the bill is about the best we can do with this kind of a program.

Insofar as the possibility of such transfers is concerned, I believe there are economic forces which operate to prevent them. One is the fact that at \$3.50 a hundredweight, there would be much more incentive for many farmers to expand their operations. This amendment will hold down the lid.

In the second place, the program under the amendment would be a temporary one. If it continued for 9 months, some farmers probably would proceed to get rid of one or two cows, or somehow to cut down the intensity of their dairy operations, until they could see what happened after the 9-month period. But in such cases the Secretary of Agriculture, working through the local committees, certainly would be in a position to know who was attempting to circumvent or violate the law, and would be able to take steps to meet that problem.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. This amendment would be a safety valve.

Mr. McCARTHY. Yes, it would. Some say that under such a provision, many farmers would sell some of their cows, decrease their operations, and receive benefits accordingly; but that they would also transfer those cows to other farmers, who, in turn, would receive the regular payments, and thus the result would be an increase in the cost. But, of course, if the Secretary of Agriculture found there were such "slippage," he would be able to take the necessary steps to circumvent it.

Mr. PROXMIRE. And if the Secretary found that the program could not be effectively administered, he would be in a position to reduce the \$2.50 payments and the other payments, so that there could not be a significant increase in the cost to the Government. The Secretary of Agriculture has the necessary tools, and he is given the needed discretion in order to be able to protect the taxpayers and not permit the program to result in runaway costs.

Mr. McCARTHY. The Senator from Wisconsin is correct.

Some may be able to conceive of a kind of massive violation, under the act, in which case the cost might rise and the objectives might not be very fully met. But I believe that could happen only in one's imagination, but not in fact.

Therefore, Mr. President, I hope my amendment will be adopted.

I thank my colleague [Mr. HUMPHREY], the Senator from Wisconsin [Mr. PROXMIRE], and the other Senators for their contributions to the debate.

I reserve the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I dislike to oppose this amendment.

However, as I stated a few hours ago, the purpose of the Committee on Agriculture and Forestry is to study the dairy program, in the hope of getting some permanent legislation.

As the Senator from Minnesota has stated, this amendment calls for a temporary program, and supposedly a voluntary program; and the hope is that it might save the Government some money. I should like to view the amendment in that light. However, knowing how farmers have acted in the past, in connection with these programs, when they tried to get all they could from them, I doubt that the farmers would feed their cows less, in order to produce less milk. In my opinion, the temptation would be for them to dispose of cows, so as to reduce their production; and the cows thus disposed of might be sold to neighbors, and the neighbors could obtain the benefits previously available to the vendors.

The average production of a cow in the United States, as I recall, is approximately 7,000 pounds of milk; and a farmer who had a cow which was producing 7,000 pounds of milk could dispose of the cow, and could obtain from the Government \$175, in payments, at \$2.50 a hundred; and the cow could be sold to a neighbor, and the neighbor could obtain from the Government \$217.70 for producing milk—assuming that the cow would then produce the same amount that it did when it was owned by the other farmer.

On the other hand, the amendment contains a provision for the making of additional payments to farmers who would make this cut. In other words, such a farmer would be paid at the rate of \$2.50 per hundred pounds, for every 100 pounds he reduced his produc-

tion; but for the rest of his production, the Secretary of Agriculture would be empowered, under this amendment, to raise the price—the price on the rest of the farmer's milk production—or to give him compensatory payments, which could go up from \$3.11 to \$3.70 a hundred pounds.

So, Mr. President, for the life of me I cannot understand how the Government would gain by this amendment; and in view of the fact that the program would be a voluntary one, and there would be no method by which farmers could be prevented from selling their cows or from making their cows produce less, I doubt that the program would have the benefits which have been described by the Senator from Minnesota.

I wish to reiterate that the Committee on Agriculture and Forestry proposes to make a study of the milk program from now until next April, in the hope that before April 1 it will be able to come forward with a plan which will be of benefit to the producers of milk, but at the same time will reduce the excessive cost to the Government.

So, Mr. President, I shall ask Senators to vote against this amendment.

The PRESIDING OFFICER. Do the Senators who are in charge of the time on this amendment yield back the time remaining under their control?

Mr. McCARTHY. I do.

Mr. ELLENDER. I do.

The PRESIDING OFFICER. All remaining time on the amendment of the Senator from Minnesota has been yielded back.

The question is on agreeing to the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. ELLENDER. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the Senator from Alaska [Mr. GRUENING]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. METCALF (when his name was called). Mr. President, on this vote I have a pair with the junior Senator from Oregon [Mrs. NEUBERGER]. If she were present and voting, she would vote

"nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Mississippi [Mr. STENNIS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in the family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Colorado [Mr. CARROLL], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

If present and voting the Senator from California [Mr. KUCHEL] would vote "nay."

The result was announced—yeas 21, nays 60, as follows:

[No. 62 Leg.]

YEAS—21

Bartlett	Jackson	Morse
Burdick	Kefauver	Moss
Case, S. Dak.	Kerr	Mundt
Douglas	Long, Hawaii	Muskie
Hart	McCarthy	Proxmire
Hartke	McNamara	Young, N. Dak.
Humphrey	Monroney	Young, Ohio

NAYS—60

Aiken	Dirksen	Morton
Allott	Dodd	Murphy
Anderson	Dworshak	Pastore
Beall	Eastland	Pearson
Bennett	Ellender	Pell
Bible	Engle	Prouty
Boggs	Ervin	Randolph
Bush	Fong	Robertson
Butler	Goldwater	Russell
Byrd, W. Va.	Hayden	Saltonstall
Cannon	Hickenlooper	Scott
Capehart	Hill	Smathers
Carlson	Holland	Smith, Mass.
Case, N. J.	Hruska	Smith, Maine
Chavez	Javits	Sparkman
Church	Jordan	Symington
Clark	Keating	Talmadge
Cooper	Mansfield	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Williams, Del.

NOT VOTING—19

Byrd, Va.	Kuchel	Neuberger
Carroll	Lausche	Stennis
Fulbright	Long, Mo.	Wiley
Gore	Long, La.	Williams, N. J.
Gruening	Magnuson	Yarborough
Hickey	McGee	
Johnston	Metcalf	

So Mr. McCARTHY's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

ORDER OF BUSINESS

Mr. THURMOND obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, the minority leader and I have discussed with various sponsors of amendments the question of how much time they would like to speak on the amendments. We have also talked with the ranking minority member of the committee and the chairman of the committee. At this time, on behalf of the minority leader and myself, I request unanimous consent that instead of 2 hours to be allowed on each amendment, 20 minutes be allowed on each amendment, 10 minutes to a side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. HICKENLOOPER. Mr. President, reserving the right to object—

Mr. ROBERTSON. Mr. President, reserving the right to object, I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. What was the request?

Mr. MANSFIELD. I requested that 20 minutes be allotted to each amendment, 10 minutes to a side. I point out that 4 hours of debate will be available on the bill.

Mr. ROBERTSON. Mr. President, reserving the right to object—

Mr. MANSFIELD. Mr. President, the Senator from Iowa requested the right to object first.

Mr. HICKENLOOPER. Mr. President, I am always glad to accommodate my distinguished friend, the Senator from Virginia.

Mr. THURMOND. Mr. President, I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the Senator from Virginia observes that yesterday his heart was wrung by the tears shed over the principle of private enterprise. Today he intended to offer an amendment which would give those who produce feed grains an opportunity to operate under the traditional system of private enterprise. But he finds now that the burning issue is, How will the farmers give us any credit if we do not give them a 75-percent support program?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. MANSFIELD. On the basis of the reservation of objection, I point out that the Senator from Virginia has already used about 15 minutes on his amendment. If he wants more time on the bill, he will get it when his amendment is called up.

Mr. ROBERTSON. Under the circumstances, I will not object.

Mr. HICKENLOOPER. Mr. President, I wish to find out where I am now. I reserved the right to object, and I am still reserving it. In connection with consideration of the agriculture bill, I wish to read into the Record a letter and

do not want to be blocked in my effort to do so.

Mr. MANSFIELD. The Senator will not be blocked.

Mr. HICKENLOOPER. I have no particular objection to his request. I desired to obtain 3 minutes or 5 minutes to present the particular subject I have in mind.

Mr. MANSFIELD. The Senator has our collective assurance.

Mr. HICKENLOOPER. Do I have a sufficient bludgeon over the good graces of the majority leader by threatening a little in saying that if I do not get the time now, I will object? I do not think I will object.

Mr. MANSFIELD. The Senator will get the necessary time.

Mr. HICKENLOOPER. I thank the majority leader. I will trust his generosity.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. MUNDT. Mr. President, reserving the right to object, may I inquire how much time remains on the bill?

The PRESIDING OFFICER. The opponents have remaining 76 minutes and the proponents have 110 minutes.

Mr. MUNDT. Would there be a disposition on the part of our combined leadership to expand substantially beyond the 10-minute limitation debate on any one amendment which might appear to be controversial, either by its proponents or the opponents?

Mr. MANSFIELD. Of course.

Mr. CASE of South Dakota. Time is available on the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. DIRKSEN. There were 27 amendments pending at noon today. I canvassed the author of every amendment, I believe. Some were willing to agree to use only 5 minutes on a side. Others agreed that they would not exceed 10 minutes on a side. The majority leader's unanimous consent request is based upon that canvass. I think the time would be adequate. I hope there will be no objection to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I thank my colleague, and I thank the Senator from South Carolina.

Mr. THURMOND. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. The Senator from South Carolina proposes an amendment for himself and Messrs. EASTLAND, BYRD of Virginia, ROBERTSON, HOLLAND, SMATHERS, and McCLELLAN, that, beginning on page 2, line 1, to strike out all through page 8, line 20, and to redesignate other titles and sections accordingly.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina.

Mr. THURMOND. Mr. President, I think some time would be saved if I could obtain an agreement for a ye-and-nay vote.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, this morning I received a letter which I believe is pertinent to the basic issue before the Senate. It is from a man knowledgeable in agriculture. I think it would be helpful to the Senate. I should like to read the letter into the Record, provided the time to do so is not charged to the time available to the Senator from South Carolina. If I could obtain about 5 minutes on the bill, I think I could read the letter in that time.

Mr. THURMOND. Mr. President, I shall be pleased to yield to the distinguished Senator from Iowa on the condition that the time he needs will not be taken from the time available to me on the amendment.

Mr. HICKENLOOPER. The time will be charged to the time on the bill, if necessary.

The PRESIDING OFFICER. Is the minority leader willing to yield time on the bill to the Senator from Iowa?

Mr. DIRKSEN. Mr. President, I yield 5 minutes on the bill.

Mr. HICKENLOOPER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HICKENLOOPER. Mr. President, this morning I received a letter from a very prominent and extremely knowledgeable and highly successful farmer in Iowa.

I was unable to communicate with the writer of the letter this morning by telephone in order to obtain permission to use his name. Therefore, I shall eliminate his name from the Record, but at a later date, if it is satisfactory with him, I will make public his name. He discusses a couple of points. I should like to read the letter into the Record for the consideration of Senators.

The writer has never been known as an enthusiastic Republican. If I told Senators his name, they would recognize that fact. The letter, which is addressed to me, reads as follows:

MAY 23, 1962.

Senator BOURKE HICKENLOOPER,
From Iowa,
Senate Office Building,
Washington, D.C.

DEAR BOURKE: I suggest that you make a rather violent attack on the Commodity Credit Corporation and on Secretary of Agriculture Freeman on one particular part of the Billie Sol Estes case.

The radio yesterday was full of the fact that the Government is going to terminate the grain storage of the Billie Sol Estes organization completely but in "an orderly fashion"—over a period of the next 18 months. The radio further stated that the Billie Sol Estes complex had in storage at the present time some 42 million bushels.

Now if they take 18 months, it means that the Billie Sol Estes complex probably will collect an average of 1 year's storage on 42 million bushels for 1 full year—something like \$5 million. It is a gift to commercial solvents who have an assignment which will come in right behind the Government claim for \$500—

I believe that is a misprint—
in cotton allotments.

Every grain storage man in Iowa—and mind you, this includes a whale of a lot of farm cooperative elevators who have great numbers of members—every one of them will be completely outraged about taking 18 months to liquidate the Billie Sol Estes storage income when they have all been forced to ship 70 percent of the corn and other agricultural products which they have been storing for the Government. In Iowa, Commodity Credit has liquidated 70 percent of the storage in 90 days—now they are proposing to give a man indicted for conspiracy, thievery and everything else 18 months. It's preferential treatment still continuing—preferential treatment of the great magnitude as to be attackable.

Everybody that has been reading the papers is familiar with the case—everybody that is listening to the radio is familiar with it—and I can think of no thing that would be so easy for you at this moment nor so logical.

To hear the news reports, you would think 18 months is the normal and required time for liquidating a smelly situation. The Government announcement was that they were liquidating "in the usual orderly fashion."

The only advantage I can see to the Billie Sol Estes situation is that it probably will be helpful in stopping Freeman's ridiculous request for mandatory controls of feed grains.

Successful farming is out with an interview (which I have not as yet seen) which according to all reports exposes Freeman's and Cochrane's desire for a completely controlled agriculture—where a farmer almost has to have a license to farm. The thoughts of putting ourselves under dictatorial controls coming at the same time as the exposures of the whole Billie Sol Estes affair ought certainly wreck Freeman and his desire for dictatorial power.

I think it's good politics for you to attack this preferred treatment in this matter of the liquidation of his grain storage holdings—but I not only think it's good politics—I think it's your duty as a Senator and as a member of the Agricultural Committee to just raise hell about it.

Sincerely,

As I said, this man has never been known as a dedicated Republican. He is a very astute fellow, and he is quite observant. In his letter he suggests that I should raise hell about it. I take this method of raising hell about it, by reading the letter into the CONGRESSIONAL RECORD.

This is an utterly atrocious and inexcusable administrative procedure. If they are going to take 18 months to liquidate these holdings, when our storage people are being put out of business in 90 days by having their elevators swept clean, I cannot think of any stronger terms to use.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CASE of South Dakota. Does not the Senator from Iowa think it would be much fairer and in accord with greater equity if this grain were returned to elevators in Iowa and South Dakota and Oklahoma and elevators in other areas from which it was taken, so that they could earn this money during the next 18 months?

Mr. HICKENLOOPER. Yes; however, I do not believe that our elevator operators, because their elevators have been

completely denuded by the Department of Agriculture, could profit from it. Most of them have gone broke. They are out of business.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. With the consent of the Senator from South Carolina, I yield 1 extra minute.

Mr. MUNDT. I take this opportunity merely to point out that when the news release was issued by the Department of Agriculture that it was canceling the storage contracts insofar as Mr. Estes' grain elevators were concerned, I was led to believe that this was going to be an expeditious action on the part of the Department of Agriculture. On that basis I took occasion to commend the Department of Agriculture. I said that while an ounce of prevention would have been worth a pound of cure, I was glad that the Department was taking its action, and I was pleased to commend the Department for taking prompt action to cancel the vast grain storage contracts enjoyed by the Estes enterprises.

Mr. President, I now take this opportunity publicly to rescind my commendation and congratulations to the Department. If they propose to take 18 months to take action and implement these cancellations in the Estes case, it means that the Department of Agriculture is putting itself in collusion with Billie Sol Estes and the deceit and trickery which he practiced. We have evidence that even in Texas the competitors of Billie Sol Estes, who played the game straight, also find their storage elevators pretty well depleted. If the Secretary of Agriculture is going to say, on the one hand, that he is canceling the lush contracts with Estes, and then delay this procedure for 18 months, so that millions of dollars of extra earnings can accrue to friends and associates of Estes who are included among his creditors, through that delay, I certainly want to retract the congratulations I offered the Department under the false assumption it was acting expeditiously. Instead it now appears it demonstrates still another act of favoritism for those involved in the Estes program of deception.

Mr. LAUSCHE. Will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Ohio, with the consent of the Senator from South Carolina.

Mr. THURMOND. I yield, with the understanding that the time does not come out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. My remarks will not be directly related to what has been said, except that they do relate to the policy of domination and control of the economy. I wish to read from page 33 of John Kenneth Galbraith's "Economic Development in Perspective":

If we take as the measure of the amount of planning the proportion of all current resources—gross national product—fully controlled and disposed of by the state, about 20 percent of the American economy is planned. For India the comparable figure is 13 to 14 percent. The market economy of

the United States has a larger public sector than the socialist economy of India.

This book was written in 1962, and states that on the Federal level we plan and control 20 percent of the economy. I do not know by how many percent this will be increased through these compulsory, inescapable, ironclad controls that are contained in the pending bill, but it will be more than 20 percent.

WITHHOLDING TAXES ON INTEREST AND DIVIDENDS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a well-reasoned, documented statement on the withholding of taxes on dividends and interest, prepared by George E. Barnes, representing the Midwest Stock Exchange, filed with the Committee on Finance; a letter which Mr. Barnes addressed to the Secretary of the Treasury; and two articles on the same subject, one published in the Chicago American, and the other in the Chicago Daily News.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HON. C. DOUGLAS DILLON,
Secretary of the Treasury,
Treasury Department, Washington, D.C.

DEAR MR. SECRETARY: Almost a year ago, on May 23, 1961, to be exact, I called your attention to a most misleading set of statistics in the Treasury Department's presentation to the Congress of its tax program. This concerned the erroneous allegation that the 4-percent dividend credit and \$50 exclusion reduced the percentage of the so-called double tax only 8 percent for a low-income individual shareholder while the percentage benefit was 41 percent for a high-income shareholder, when, as a matter of fact, tax savings under the 4-percent dividends received credit, disregarding the \$50 exclusion, is 20 percent for dividends received by a small holder and only 4.4 percent for a person in the top income bracket.

It is indeed most disturbing to see you recently reintroduce to the Committee on Finance of the U.S. Senate the same set of statistics which are most misleading. Therefore, it is my hope that you will not fail to make an immediate correction. Also, I have been even more disturbed and surprised that you have approved giving the impression to the Congress and the public at large in your addresses that our citizens are cheating and chiseling taxes from dividends to a gross extent.

As you very well know, each and every annual dividend payment of \$10 or more is conscientiously reported to you by corporations (most corporations report dividends on Form 1099 regardless of the amount). If there is any cheating taking place on dividend payments, you know just where it is happening and have every facility to enforce collections with the information at hand. Moreover, this is not a responsibility or prerogative to be shifted from Government to private enterprise.

Representing the Midwest Stock Exchange, I prepared and mailed earlier in the week a rather full statement on the impact of withholding on dividends and interest. I would appreciate your examining this statement most carefully. A copy is enclosed.

I have now had an opportunity to examine table 1 "Estimated dividend income of individuals not accounted for on tax returns for 1959," contained in your statement of April 2, 1962, to the Committee on Finance of the U.S. Senate to support

a dividend gap of \$840 million not reported by individuals. I find there is an obvious sizable discrepancy in this figure due to your underestimating at \$880 million the total amount of dividends received by pension funds and other nontaxable organizations. For example, your estimates of \$380 million dividends received by corporate pension funds is wholly unrealistic. The New York Stock Exchange reported in its 1959 survey \$11.1 billion holdings of New York Stock Exchange listed stocks by such nontaxable institutions as of December 31, 1959. Based on a median yield of 3.8 percent for all New York Stock Exchange dividend paying listings for 1959, the payments would be \$411.8 million, without any consideration to holdings of issues traded on other exchanges, bank, insurance and other over-the-counter issues and stocks of privately owned companies.

For colleges, foundations and other nontaxable organizations, the New York Stock Exchange reported \$12.9 billion holdings of New York Stock Exchange listed stocks as of December 31, 1959, on which the dividends would aggregate \$490.2 million, and compare with your estimate of \$500 million, without any regard for other holdings mentioned above, and the fact that these tax-free organizations hold substantial amounts of preferred stocks on which the returns are relatively higher. Also, there has been a substantial shareownership of private corporations turned over to tax-free family foundations.

Inasmuch as only 58 percent of all dividend disbursements for the year of 1959 were made by New York Stock Exchange listed companies, it is safe to assume that these nontaxable organizations received their proportionate share of other dividend payments. Therefore, total holdings of stocks of these institutions is estimated to be \$41.4 billion

$$\begin{array}{r} 100 \\ - \times 24 \text{ billion} \\ 58 \end{array}$$

on which the gross dividends for 1959 would aggregate approximately \$1.6 billion based upon 95 percent holdings of common stocks returning 3.8 percent and 5 percent of holdings in preferred stocks returning 5.1 percent.

This accounts for \$720 million of the estimated unreported dividend gap claimed by your office of \$840 million. As I emphasized in the statement to the Committee on Finance of the U.S. Senate, there is an increasing amount of stocks being placed in the names of minors which would account for a sizable total of annual dividends not subject to tax.

May I please have the courtesy of an early reply for the reason that it is my plan to file a supplementary statement with the Committee on Finance to call the attention of its members to this continuing reliance on obviously erroneous statistics.

Cordially yours,

GEORGE E. BARNES.

CHICAGO, ILL.

STATEMENT OF GEORGE E. BARNES, REPRESENTING THE MIDWEST STOCK EXCHANGE, FILED WITH SENATE FINANCE COMMITTEE, APRIL 1962

As a student of Federal income tax legislation for the past 40 years, I have never been so gravely concerned, as now, over the proposal to withhold taxes on interest and dividends under chapter 25 of H.R. 10650, for the reason that it is an open invitation to fraud—corporate and individual—would impose completely needless hardships on people who can least afford them, and would be more likely to shrink net revenues to the Government than to increase them.

I appreciate very much the opportunity to file this statement. It is based upon long

experience in preparation of income tax returns, filing hundreds of claims, and dealing with customers in the banking and investment business and also serving on National and State tax committees. For the record, I am senior partner of Wayne Hummer & Co., Chicago, past chairman of the Midwest Stock Exchange and a working director and member of the executive committee of the Suburban Trust & Savings Bank, Oak Park, Ill.—and I might add that my views have the support of my bank, as well as the Midwest Stock Exchange.

For your information, my first studies of Federal income taxes were initiated in 1918 when I prepared up to 1,000 individual returns as a public service in behalf of the banking institution which I served as auditor. For a number of years, the Chicago collector of internal revenue annually acknowledged by letter my service to a community of 25,000, then without Internal Revenue agents to help the taxpayers.

I still prepare from 75 to 100 returns each year for friends and business acquaintances, in order to keep abreast of the regulations and to be generally helpful in an increasingly complex and complicated field.

It has also been a source of satisfaction to me that the Congress has adopted, on more than one occasion, tax proposals that I submitted, which the record will indicate. I mention my personal interest and experience in Federal tax matters for the reason that only this past week, I had an experience with the Internal Revenue Service that vitally concerns the subject at hand in connection with examination and audit of a 1960 individual tax return which I prepared.

In a return which reported \$31,700.85 in dividend income, the examining agent had no 1099 information returns to audit the dividend items, numbering 65. Individual dividend payments ranged from 76 cents to \$4,151.25. He asked the taxpayer to produce any copies that had been saved by him from the individual companies. Further, I cannot recall any time in the past 5 years an examining agent having before him for audit purposes forms 1099, regularly furnished the Internal Revenue Service at great expense by corporations and others.

In the reporting of dividends and interest, which all companies so cooperatively carry out, we already have an effective means and basis to collect taxes. In this connection, it is gratifying to know that the Commissioner of Internal Revenue is taking steps to provide improved audit procedures through computer data processing, and I would like to see it extended to interest payments below \$600.

May I make very clear to you that since the end of World War II, because of what amounts to continuance of an excess profits tax as high as 91 percent on individual incomes (although the corporate excess profits tax was repealed), it has been the practice of parents to make periodic gifts to children and grandchildren, to lower the heavy burden of income and estate taxes. This has been facilitated by the passage, by every State of the Union, of a "Gifts to Minors Act," making it easier for parents to make gifts of securities and cash.

But even prior to this innovation, thousands and thousands of transfers were made to children in the form of savings accounts and securities, to ease the tax burden and make a better education available. If the facts were known, a good portion of unaccounted for interest and dividends claimed by the Treasury would not be subject to income taxes. It will be of interest to you that one of our clients recently transferred about \$3,000 in stock to each of 21 grandchildren and five children. Incidentally, this category alone would create a vast number of taxpayers to whom the Government would be obliged to make refunds under the proposed legislation.

There are undoubtedly illegal or suspect sources which fail to report certain dividend and interest income. But it will be found that those who are engaged in legitimate businesses and professions generally report these items very conscientiously.

The Treasury's estimate that there is a 91 percent compliance of dividend reporting in income tax returns is highly credible, and when the tremendous volume of dividend payments to elderly people and minors not subject to income taxes is considered, this is a remarkable percentage, probably without equal anywhere else in the world.

Now I would like to list what appear to be, from my experience, the basic faults of the withholding provision of H.R. 10650.

Basic faults of interest and dividend withholding under chapter 25 of H.R. 10650:

Basic fault No. 1: Unjustified overwithholding of taxes.

Basic fault No. 2: Inefficiency, waste, and duplication imposed upon Government, business, and taxpayers to administer withholding.

Basic fault No. 3: A large segment of interest payments not covered by withholding.

Basic fault No. 4: Impracticably and complication would cause a multiplication of administrative problems and serious interruption in operations of our security markets.

Basic fault No. 1: Unjustified overwithholding of taxes.

From my long experience in dealing with small stockholders and savings depositors, I am confident a large portion of the unjustly withheld taxes under the legislation would not be recovered, because of either ignorance or fear of making out a claim for refund incorrectly, or belief that it would cost more in time than the refund is worth. This is something to fear, inasmuch as it has been estimated that 8 million stockholders would be subject to overwithholding and the impact would fall most severely on those who can least afford it for these reasons:

Interest on savings accounts: The American Bankers Association took a sample survey last year of 300 commercial banks, which indicated a very large concentration of small savings accounts. It is interesting to note from this survey that two-thirds of the savings accounts in the reporting banks paid less than \$15 in annual interest. Still another 15 percent paid annual interest from \$15 to \$45. If you will project this sampling to the 52 million savings accounts in the Nation, there are close to 35 million savings accounts in commercial banks alone earning interest of less than \$15 a year. Need any more be said that this legislation would unjustly deprive thrifty people of their full earnings on their savings and result in untold losses and inconveniences? It is highly questionable whether most of these people would bother about refunds, and—by not doing so—they would incur losses.

Dividends on stocks: A 20-percent withholding rate is substantially more than the actual tax for the average shareholders for the following reasons:

1. The proposed plan does not consider the \$50 annual dividend exclusion. For example, 25 percent of the shareholders of American Telephone & Telegraph receive less than \$50 annually, and 50 percent of all these shareholders would be ineligible for quarterly refunds and would have to wait up to a year to get their money back.

2. There is no allowance made for the 4-percent dividend credit to individuals, which reduces the effective rate from 20 to 16 percent.

3. There is no provision for the 85-percent dividend credit on dividends received by another corporation. In other words, 20 percent would be withheld on dividends to other corporations, compared to an actual tax liability of 7.6 percent on large corporations

in the 52-percent bracket, and only 4.5 percent for the small corporations paying a 30-percent rate.

4. The proposal to withhold on dividends and interest has been confused with wage and salary withholding, where proper allowances are made for marital, dependent, and medical deductions as well as age and retirement income credits. Even in the case of prolonged illness, wage withholding payments cease on the first \$100 weekly compensation.

5. Tax-exempt organizations—such as churches, youth and character building agencies, welfare agencies, universities, corporate and union pensions funds—may not claim exemption from dividend withholding under the plan. In other words, these organizations would be obliged to loan money to the Government without interest return each year by having 20 percent of their payments retained by paying corporations. These organizations, which operate on close budgets mainly from contributions and income from their investments, can ill-afford to have their income reduced. Your attention is called to the fact that 8.7 percent of all ownership in publicly owned corporations is held by tax-exempt organizations, such as not-for-profit institutions and corporate pension funds.

6. The 20-percent withholding rate is unrealistic and is not geared to the actual liability of taxpayers of all types or a reasonable approximation thereof. For example, a person receiving \$5,500, and claiming the standard deduction, would have a total tax liability of only \$800, compared to withholding of \$1,100. Retired taxpayers with extra medical deductions would be very adversely affected.

7. Banks, insurance companies, and other financial institutions receiving a high portion of their gross income from Government and corporate bond interest seldom retain 20 percent of their gross income after operating expenses. Consequently, they would be subject to a larger withholding than they could absorb (after credits for wage withholding and social security taxes), without impairment of working funds, and liquidity would thereby be vitally affected.

Basic fault No. 2: Inefficiency, higher costs, waste, and duplication imposed upon Government, business, and taxpayers in order to administer withholding.

The taxpayer as well as the Government would have no evidence or receipt for payments, which would result in total confusion. There would be required extensive and costly investigations and audits on the part of the Internal Revenue Service of all payers of interest and dividends to verify amounts not withheld, as well as records of corporations and banks to verify validity of millions of claims. Therefore, the plan contains many possibilities for loss to the Treasury due to inefficiency and/or fraud on the part of payers of interest and dividends. Recipients could well have a feeling of distrust, in the absence of any assurance or notification that tax payments were made. It is claimed that it will be a simple matter for a person to receive a refund by merely filling out a postcard or form and sending it to Uncle Sam. This statement is irresponsible, inasmuch as all cases where the Internal Revenue Service has no record of income-tax filings or payments would require a special investigation before the claim could be paid. Otherwise, it would be the same as giving the public a blank check to draw on the Government, which irresponsible people could abuse without detection, for the simple reason that it would be impossible under the proposal to support claims with any individual records of amounts withheld. This is the complete answer to quick refund advocates.

It would present a colossal problem for banks and savings institutions to determine the tax status of each depositor, and the execution of this would invade the private af-

fairs of citizens and shift the burden and responsibility of tax collections from Government to private institutions. Eventually, these added administrative costs would be paid by the thrifty. It is estimated that the very minimum out-of-pocket expenses of the bank that I represent, to administer the withholding program, would be \$1 per account. The postage on one mailing and return to 12,000 depositors, carrying savings balances aggregating \$17,436,408, would be about equal to the total annual compensation provided of about 10 cents per account—for the privilege of holding funds temporarily. It is calculated that indirect supervisory costs to the bank for administering the program would also be substantial. This is contrary to the adequate compensation representations made by the Treasury.

Reporting of income on form 1099 by corporations and individual payers of interest and dividends provides the best means to insure maximum enforcement at minimum costs and confusion to business and Government. In my opinion, the outer limit of responsibility by business should be confined to providing regular informational reports to the Internal Revenue Service. You will always find that business firms are anxious to cooperate. The recent introduction of computer data processing by the Commissioner of Internal Revenue, to achieve more efficient audits and enforcement, is most welcome in this connection. Withholding would only add waste and duplication to this efficient effort.

Basic fault No. 3: A large segment of interest payments is not covered by withholding.

There is no withholding of interest on mortgages and private loans. This represents a much larger amount than interest payments on corporate bonds. The effect of withholding on owners of corporate and Government bonds would be to discriminate against them in favor of private lenders. This would force tax-exempt organizations and many individuals not subject to tax into other forms of investment that may not be so desirable or liquid. There could be a pronounced and adverse effect on the Treasury's savings bond program.

Basic fault No. 4: Impracticality and complication would cause a multiplication of administrative problems and serious interruption in operations of our security markets.

The problems of banks, trust companies and investment firms resulting from elimination or curtailment of use of shares in the names of a nominee, or what are known as "street certificates", would be staggering, since no exception is made and the full 20 percent is withheld under this legislation. As an example, banks and brokers acting as nominee usually receive one check from each corporation for a dividend payment, and the individual accounts are credited with the proceeds as the ownership appears, largely by automatic computers. If arbitrary withholdings are made, irrespective of the tax status of individual accounts, it would be necessary to register each certificate in the owner's name and process a multitude of additional items and checks by manual operations. With added costs to both banks and investment dealers occasioned by tax withholding, there would be no alternative than to increase service and/or commission costs to offset the burden.

Street certificates in many respects are the same to investment dealers and brokers as currency is to banks. Just as banks use currency to make change, so do street certificates facilitate transfers and deliveries of securities to customers or brokers and investment dealers. Also, it is not generally appreciated that street certificates, or nominee holdings, are used daily to make deliveries and settlements where security items of the seller do not reach the stock exchange

clearing corporations on the contract date for one reason or another, because of distance or delays. There are also daily instances of street certificate substitutions for "not good delivery" items, comprising certificates in the names of corporations, trustees, estates and other nonnegotiable form, to expedite and facilitate daily settlements between buyer's and seller's broker. It should be obvious that the market machinery would be seriously clogged and impeded in case street certificates were eliminated or curtailed.

Under the proposal, all Government bond (excluding series E bonds) and corporate bond interest payments would be subject to 20 percent withholding, with no exceptions for individual and taxable corporate investors. This means that in the case of bond transactions, it would be necessary for the buyer to withhold from the seller 20 percent of any accrued interest to date of sale, since they would be obliged to pay 20 percent of the full coupon or payment on the next interest date.

This would impose many problems for bond dealers and banks. Investors would tend to delay transactions until the exact semiannual or annual interest payment date and create an accumulation of transactions with which banks and dealers in bonds could not cope.

It should be obvious that these withholding provisions would cause serious interruptions and instability of normal market operations in our bond markets. Even some taxable organizations such as banks and other large bond investors would wish to avoid overpayment of taxes by acquiring bonds between semiannual interest dates. Bond transactions would be further complicated whenever the seller is a tax-exempt organization, such as a church, school or charitable organization, inasmuch as buyers would object to making an outlay of 20 percent withholding tax on the full coupon when collected. For example, purchase from a tax-exempt organization of \$100,000 par value U.S. Treasury 4-percent bonds 5 days before the interest would mean the buyer would pay the seller accrued interest of \$1,956.04, but would collect only \$1,600 (\$2,000 less 20 percent) on the interest date, and would thus be required to resort to claims to recover the funds.

Conclusion: I could continue at length in regard to other complications and taxpayer problems to support opposition to withholding provisions of H.R. 10650. On the other hand, there can be no argument with the basic premise that each citizen should carry his fair and equitable share of the tax burden. On that premise, a minority of earlier witnesses have argued—with complete sincerity I am sure—that withholding of dividend and interest income is a desirable step toward tax equality.

Such witnesses, however well meaning, obviously have not had an opportunity to study the implications of the pending withholding proposal, or they fail to grasp its destructive potential. On balance, I believe that the principle as proposed is demonstrably inequitable, administratively impractical and wholly undesirable. Briefly and bluntly, its enactment would not encourage tax equality. But it would take us deep into the area of discriminatory self-defeating taxation in its most virulent form with consequent and perhaps crippling impairment of and respect for our entire basic revenue collecting processes.

[From Chicago's American, May 1, 1962]

THAT \$840 MILLION DIVIDEND TAX GAP IS CALLED PHONY

(By Hal Thompson)

Congress is being kidded by Secretary of the Treasury Dillon into believing that a withholding tax on interest and dividend payments is necessary to collect \$840 million

in unreported dividend taxes. This charge was made by George E. Barnes, senior partner of Wayne Hummer & Co., and former chairman of the Midwest Stock Exchange.

In a press conference held in the board of governors' room of the midwest exchange, Barnes labeled the contention of the Treasury Secretary that \$840 million in dividend taxes are going uncollected as being based on erroneous information. In fact he maintains that no gap exists between actual dividend tax payments and the sum which the Secretary estimates is due the Government.

The \$840 million figure which the Secretary infers the Government is being cheated out of annually in the nonpayment of taxes on dividends actually represents nontaxable income, Barnes stated.

DIFFERENT TOTALS

Which incomes are nontaxable? Barnes pointed out that groups which fall in this category include pension funds, churches, foundations, colleges, and welfare funds.

Now as a matter of fact, Barnes revealed he had advised the Treasury Secretary in a letter he was placing in the mails, such nontaxable income really amounts to around \$902 million annually and not the \$840 million figure.

The former Midwest exchange chairman presented statistics based on a 1959 New York Stock Exchange survey in support of his contention that the Treasury Secretary was using grossly misleading and erroneous statistics in his efforts to obtain congressional approval of the proposed 20-percent withholding tax on dividends and interest.

This survey showed that nontaxable organizations held \$24 billion of New York Stock Exchange stocks in 1959. Of this total \$11,100 million was held by corporate pension funds and \$12,900 million was held by college, religious, and welfare funds.

Based on a 3.8 percent median yield, such investments should have netted corporate funds that year \$411,800,000 in dividend income and the second group of nontaxable organizations \$490,200,000 in dividend income. Thus the total nontaxable dividend income was \$902 million, a sum which, of course, the Government has no tax claims to.

Barnes also presented other data tending to prove that the Government was presently collecting most of its taxes on dividend income. He pointed out that in 1959 5,948,378 dividend taxpayers reported dividend income; of this total 781,696 paid no taxes because their total income was too low.

ACCURATE FIGURE

Now in 1959, 6 million we'd say was a fairly accurate figure for the total number of individual stockholders in this country. The fact that all of them reported dividend income and most paid taxes on it we submit is pretty good proof that our present system of collecting such taxes is working rather effectively.

Barnes' statistical attack on the Treasury's logic in this issue we believe shoots it full of holes.

If there is no \$840 million shortage in taxes as the Secretary alleges then why is a withholding tax on dividends and interest necessary and "in the public interest" at this time?

Before the Senate finally acts on this measure which already has passed the House we suggest that it look carefully into Barnes' allegations.

To this columnist they seem irrefutable.

[From the Chicago Daily News, May 2, 1962]

CATCHING THE TAX CHEATS

Proponents of withholding taxes on dividends and interest have been nailed on one misrepresentation and accused, very plausibly, of another. The agent for this was George E. Barnes, Chicago broker, before the Senate Finance Committee.

The original administration bill was amended to permit exemptions from withholdings upon the filing of an affidavit that no tax would be owed. This was represented as the cure for the charge that many widows and elderly couples, although owing no taxes on such income, would have to wait a year to recover money withheld.

Mr. Barnes points out that the real problem of overwithholding would remain. Among numerous examples, he cited the case of a retired couple whose income is \$6,000 a year. Their taxes would be \$600, but \$1,200 would be withheld. The figures show that for any income up to \$19,000 a year from such sources, withholding would be greater than taxes owed.

The basis for the effort to withhold taxes on dividends and interest is the estimate of Secretary of the Treasury Dillon that \$840 million in dividends is unreported and therefore untaxed each year. Mr. Barnes cites a 1959 study by the New York Stock Exchange showing that tax-exempt institutions—colleges, pension funds, and the like—owned securities worth \$24 billion listed on that exchange alone.

This sum would yield about \$900 million in dividends, fully accounting for the gap reported by Secretary Dillon.

If one is reluctant to conclude that a Cabinet officer would attempt to bolster his case with phony statistics, he might recall the case of Defense Secretary McNamara in the recent steel imbroglio. President Kennedy solemnly announced that Mr. McNamara had calculated that a 3.5-percent boost in steel prices would cost the Defense Department a billion dollars a year. Since the Defense Department spends about \$35 billion a year for material, the figure was obviously reached by applying 3.5 percent across the board.

The Department, however, buys uniforms and paper, rubber and aluminum, and thousands of other things not made of steel. The estimate emerges as the wildest exaggeration.

It is easy to prove the hardship that withholding of taxes on dividends and interest would impose on people, as well as the gigantic and expensive chore that it would impose upon business and financial institutions. Unless the fact of extensive tax cheating can be demonstrated conclusively, the case for withholding collapses. Right now, that seems to be the situation.

THE BILLIE SOL ESTES CASE

Mr. WILLIAMS of Delaware. Mr. President, in today's Washington News there appears an article entitled "Marshall Killer Hunted in Texas." It deals with the difficulty the Attorney General of Texas is having in obtaining the cooperation of the Secretary of Agriculture and Attorney General Kennedy in connection with a certain 175-page report on the Estes case. The Department of Justice has said that it is willing to furnish portions of the report but that it could not furnish all of it. The Department of Justice is furnishing the report in its entirety to the investigating committee of the Senate.

They are right in furnishing it to the Senate. However, I see no reason why the Department of Justice and the Department of Agriculture should not cooperate fully with the Attorney General of Texas, who has done excellent work in the case. If there is anything in that report which would help establish the facts in regard to the extraordinary death of Mr. Marshall the Government of the United States should cooperate

to the fullest with the State authorities.

I see no reason why this report or any other information which the Government has on Mr. Marshall's activities should be withheld from the State of Texas. This case is already cloudy enough. I hope the Justice and Agriculture Departments will reverse their decision.

I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BATTLE FORECAST OVER ESTES REPORT—MARSHALL KILLER HUNTED IN TEXAS

FRANKLIN, TEX., May 25.—Texas Rangers and local law enforcement officers today searched for the person who may have killed the man who was investigating Billie Sol Estes.

A medical examiner's report said Henry H. Marshall, who was looking into Estes' cotton allotments deals, probably was murdered. But the report left a slight possibility Mr. Marshall committed suicide.

State officials investigating Mr. Marshall's death were unhappy today because the Department of Agriculture and the Justice Department refused to turn over a complete copy of a 175-page report on Estes' activities.

The Justice Department said portions dealing solely with Mr. Marshall could be turned over, but not the complete report.

The grand jury investigating his death would prefer to see the whole file and make its own decisions as to what is material, State Attorney General Will Wilson said.

Mr. Marshall, an Agriculture Department employee found dead near Franklin last June, had been shot five times with a .22-caliber bolt-action rifle.

Members of Mr. Marshall's family were incensed when yesterday's medical report left the door open to suicide.

A Robertson County grand jury has been in session since Monday to hear evidence about Mr. Marshall's death. It recessed yesterday until Monday just before the medical verdict was returned.

On October 27, a report on cotton manipulations in Texas was written in the U.S. Department of Agriculture. It included Estes' activities and Mr. Marshall contributed some information to it.

Local authorities asked for a copy but the U.S. district attorney in Dallas, acting as legal agent for the Agriculture Department, said yesterday he would not submit the full report. He offered to provide excerpts, claiming Federal privilege against a State subpoena.

This may start a long fight through Federal courts. State authorities are especially unhappy because Agriculture Secretary Orville Freeman said a thorough investigation of Estes' activities was difficult because Mr. Marshall took so many secrets with him when he was murdered or took his own life.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and for-

eign needs, to conserve natural resources, and for other purposes.

Mr. THURMOND. Mr. President, the purpose of my amendment can be simply stated. It strikes out the entirety of title I of the pending bill.

Title I, or the land-use adjustment section of S. 3225, authorizes the expenditure of Federal funds under the provisions of three different acts for the development of recreational facilities. This is at best only indirectly related to agriculture in that it anticipates the retirement of land in rural areas. However, it has no place in an omnibus farm bill of this type. The construction or development of such recreational facilities as is contemplated are no more than public works projects and should be considered as such.

The full cost of the program established by title I cannot be accurately estimated. The Secretary of Agriculture is authorized to enter into long-term agreements, up to 15 years. Appropriations for section 101 are limited to \$10 million per year, but there are no effective limits for either section 102 or section 103. Bearing in mind the condition of our Nation's finances, the expenditure of an undetermined amount of money on the pretense of developing recreational facilities cannot be justified. It is neither necessary nor wise to enter into this long-range program at this time.

Section 101 completely eliminates the provision for State plans under the Soil Conservation and Domestic Allotment Act. It nationalizes the program and places it on a permanent rather than a temporary basis. I think that it is unwise to completely eliminate any reference to State plans and turn over complete authority under the provisions of the bill to the National Government.

Mr. President, the recreational facilities developed under the provisions of this title would, therefore, be subject to strict national regulation and control. The funds provided could be made contingent upon rules and regulations established by the Secretary of Agriculture. To that extent, the will of the National Government would take precedence over customs and practices of the area where the facility was established. Without a doubt, funds would be withheld in the South, unless a policy of mandatory integration in these recreation areas were established.

Mr. EASTLAND. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. EASTLAND. Is it not true that the Federal Government has been unable to induce the South to accept racial integration, and that this provision is an attempt, by the use of Federal funds, to bring about integrated swimming pools, dance halls, motels, golf links, and other recreational facilities?

Mr. THURMOND. The Senator from Mississippi is eminently correct. Later in my talk, I shall discuss that point. I predict that this provision will be used as one further economic tool to coerce the South into conforming to the wishes of the bureaucratic setup here in Washington. Judging from the recent

announcement with regard to the funds under the impacted areas legislation, it is certain that this policy of forced integration will be pursued by the executive branch of our Government. Every conceivable method has been used in the past to deprive the South of their right of freedom of choice, and it will be no different under the provisions of this bill if it is enacted into law. It will mean that unless the people of the South cater to the wishes of the National Government, the funds authorized under this act, and a portion of which the people of the South provide with their own tax money, will be withheld from them.

During the discussion of title I of the bill on Monday, the Senator from Vermont [Mr. AIKEN], the Senator from Florida [Mr. HOLLAND], and the Senator from Mississippi [Mr. EASTLAND] reviewed the provisions of title I of the bill.

Some points were developed in such colloquy that I am sure are not apparent on the face of the bill and which I believe warrant the consideration of the Senators.

The Senator from Mississippi [Mr. EASTLAND] inquired of the Senator from Vermont [Mr. AIKEN]:

Is it true that under this title recreational facilities, including motels, golf courses, swimming pools, and dance halls will be financed by the U.S. Government to be used by the public?

The Senator from Vermont [Mr. AIKEN] said he was not sure about dance halls, but that certainly the answer to the question was that such recreational developments would be available for public use.

Mr. KEATING. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I will be pleased to yield to the Senator from New York, provided that the questions he asks and the time he takes will be charged to his side, not to mine.

Mr. KEATING. Does the Senator from South Carolina agree with the legislative history concerning this subject? Does the Senator agree with the statements made by the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. HOLLAND], and the Senator from Vermont [Mr. AIKEN]?

Mr. THURMOND. I am simply stating what has occurred in the colloquy on the floor of the Senate during the debate.

To the question of whether or not this meant integration of recreational facilities, the Senator from Vermont said:

They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved.

Later on during the discussion of title I a similar colloquy occurred between Senators EASTLAND and HOLLAND.

The Senator from Florida [Mr. HOLLAND] expressed the view that there could hardly be any question as to the interpretation made by Senator Aiken in this respect.

I say to Senators in all sincerity that no matter what their views may be with respect to the social intermingling of the

racess, we need to move slowly and cautiously in this whole area.

The PRESIDING OFFICER. The 5 minutes of the Senator from South Carolina have expired. Does the Senator yield himself additional time?

Mr. THURMOND. Mr. President, I yield myself as much additional time as may be necessary. I shall probably not require more than 1 or 2 additional minutes.

We need to move slowly and cautiously so as to avoid the conflict and exasperation of people that this issue is arousing.

Equal economic opportunity is one thing. An equal opportunity for educational advancement is generally accepted.

But this proposal obviously goes beyond this. It compels social intermingling in public recreational facilities, irrespective of local views, customs, and traditions.

I do not think we ought to back carelessly, into this field. We should give it prudent consideration.

We should not let this proposal, which on its face does not appear to involve this whole explosive and controversial issue, go into effect not knowing what we are doing or what the full implication of our actions may be.

It would seem to me to be an unwise, precipitate action for us to enact title I of the bill, a bill that is devoted primarily to agricultural matters, with the knowledge that we are opening the door to consequences that have not been explored, discussed, or adequately reviewed by any of us.

For this reason we are offering an amendment to strike title I of the bill. Title I is not an essential part of the bill. The question of Federal involvement in financing recreational facilities is one that need not be dealt with at this time. The deletion of the title will not affect the design or major purposes of the bill.

Mr. President, I reserve the remainder of my time. If any other Senator wishes to speak in behalf of the amendment, time can be yielded to him.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I regret that the amendment has been offered, because I consider title I a very important section of the bill. As all of us know, the national park system has been of great benefit to the people as a whole. Every reservoir that is built anywhere in the country serves the people well by providing recreation.

Title I extends the ACP program as a national program; provides for diversion by individual farmers of cropland to recreation and conservation; provides for loans, and I emphasize "loans," to local government bodies for land utilization projects; and provides for assistance to local watershed project sponsors in providing public recreation.

When the bill came to the committee, the most serious objection raised to title I was that the Government had been given authority to purchase land, whether it was marginal land or any other kind of land, for recreational purposes. The committee has deleted all of

that language. The management of the recreational facilities will be placed strictly under the control of the local authorities—of State and municipal organizations.

Particularly will the program be good for the watershed areas throughout the country, where the Federal Government builds small dams. Such dams are built wherever it is decided that a small reservoir may serve a community by providing good fishing and other recreational facilities. Then the Federal Government will step in and help to pay for the purchase of some of the land for that purpose—the same as is being done when the Federal Government builds huge dams throughout the country. We are extending to the small water-facility projects the same provisions now being applied to the large dams; and, as I have said, the Federal Government will assist in planning the projects. But under no circumstances will the Federal Government manage them. All the management will be under the supervision of local interests.

Mr. THURMOND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. THURMOND. I am sure the Senator from Louisiana is familiar with the fact that the impacted areas legislation also provides that the funds are to be administered by the local people. However, I am also sure that the Senator from Louisiana is familiar with the announcement, recently made, that the funds will be withheld unless there is integration. Does the Senator from Louisiana think the same thing will occur in this case?

Mr. ELLENDER. I do not think so. The amendment made by title I of the bill to title III of the Bankhead-Jones Act provides for loans to State and local agencies. No grants are provided. The terms of the loans must be satisfactory to the State or local agency, or they do not have to accept the loan. If the terms of the loan are satisfactory, this provision may be of some use to them. If not, they can finance in the usual manner. They have to pay back the money, whether they obtain it by loan from the Government, or by loan elsewhere. These funds are loaned to local people, and I have full confidence that the local people will handle this situation as they see fit.

Mr. AIKEN. Mr. President—

Mr. ELLENDER. Mr. President, I yield to the Senator from Vermont the remainder of the time under my control.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. First, let me say that recreational areas financed in whole or in part by Federal funds should be made available to all people, regardless of race, creed, or color. Therefore, I am opposed to the amendment of the Senator from South Carolina.

At this time I yield 4 minutes to the junior Senator from New York [Mr. KEATING] if that much time remains under my control. After that, I shall ask whether it will be in order for me to yield 5 minutes on the bill to the

senior Senator from New York [Mr. JAVITS] so that he may have equal treatment.

The PRESIDING OFFICER. The Senator from Vermont is in charge of the time available to the minority.

Mr. AIKEN. Mr. President, I yield the remainder of the time under my control on the pending amendment to the junior Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. Mr. President, I agree completely with the view expressed by the Senator from Vermont. Title I allows the conversion of unneeded or uneconomic cropland to other purposes, primarily recreational. This seems to be a sensible way to curb excess agricultural production, and at the same time give encouragement to the development of recreational facilities which would be most useful to our rapidly growing urban areas. This is one part of the bill—and there are not many of them in this category—which seems to be wise.

I have sent to the desk, and have had printed, an amendment which is submitted by me, on behalf of myself, my colleague [Mr. JAVITS], the Senator from Pennsylvania [Mr. SCOTT], the Senator from New Jersey [Mr. CASE], and also the Senator from Massachusetts [Mr. SALTONSTALL], who desires to be affiliated with us in the sponsorship of the amendment. The amendment requires that any public recreational facilities developed with Federal assistance under title I of the pending bill shall be available to all persons, without discrimination on account of race.

Up to this point, there seems to be unanimity of opinion in the Senate debate on this subject. No Senator has questioned the fact that Federal funds provided under this measure cannot be used for segregated facilities.

The Senator from South Carolina, the Senator from Mississippi, and the Senator from Florida approach this problem from a viewpoint different from mine; but I compliment them on their recognition that recreational facilities developed under title I of this bill will have to be integrated. It seems very clear to me that that is the case. Certainly there is no possible justification for using Federal funds for the development of facilities to be used on a Jim Crow basis. It makes no difference whether the assistance is in the form of loans or whether it is in the form of grants; and it makes no difference whether the facilities are managed by the Federal Government or by the State authorities. If Federal tax funds are involved in the acquisition, construction, or maintenance of such facilities, they must be open to all Americans, without regard to race; they must be public in the true sense.

I shall vote against the amendment to strike title I.

Mr. AIKEN. Mr. President, I yield 5 minutes on the bill to the senior Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, needless to say, I am opposed to this amendment.

However, it is interesting to me to note that when we deal with measures for conservation and for the preservation of important areas of the country which are subject to conservation, there is strong support for them, and even considerable enthusiasm, because of the feeling that one of the dearest resources of the country will thus be preserved. However, when conservation provisions are included in the context of an agricultural bill, there is not the same emphasis on that aspect, nor do we find massing behind such a program the same amount of sentiment by the conservation groups. Of course, the reason for that is that the agricultural provisions of the bill overshadow the conservation aspects of it, and therefore, perhaps the major conservation groups are not yet aware of this part of the bill. Under our great governmental system, people often become aware of such situations only after some action adverse to their interests has been taken.

It seems to me that to reject or strike out this title would be adverse to those interests. New York has taken great pride in being one of the leading States of the Nation in terms of its interest in and its concern with conservation. Therefore, on that ground alone, I would strongly oppose striking out this title.

In the second place, ever since I first became a Member of Congress, I have taken a rather consistent position as regards voting against the concept of high, fixed price supports on a permanent basis. I have often been charged with being "less liberal" regarding that principle than I am in regard to many other economic and social proposals on which I have had the privilege of voting. But it seems to me that the problems of American agriculture are very deep seated, and that they will not be solved fundamentally in a way which will be in the interest of both consumers and farmers by providing only poulitices, although I can thoroughly appreciate the dilemma of many Senators who represent areas which in the main are rural, and who must make some arrangement from year to year, so to speak.

That is all the more reason why those of us who, like myself, represent States which are heavily urban, should do their best to hew out, over a period of time, a more basic policy than this one.

As I have stated, I am deeply opposed to high, fixed price supports on a permanent basis and the permanent withdrawal of land from productive uses, so that it cannot thereafter be restored to such uses if subsequent exigencies require that. But I approve of such withdrawals on a temporary basis, if in the meantime the land can be used for other desirable national purposes. In principle, I believe the latter to be better than the idea of inhibiting the production of food which is so urgently needed throughout the world.

I repeat that in representing an area which has so large a population of urban consumers, I believe it sound to utilize for desirable purposes such as these the

lands dealt with in title I, rather than merely to inhibit agricultural production on them at a time when agricultural production is desperately needed throughout the world and is also greatly in the interest of American consumers.

For these two reasons, Mr. President, I believe it is much sounder to proceed along the line of the provisions contained in title I. Therefore, I oppose the pending amendment, and I hope it will be rejected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. Mr. President, I have a little time left.

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes remaining.

Mr. AIKEN. I yield the Senator from Delaware [Mr. WILLIAMS] 3 minutes on the bill.

Mr. WILLIAMS of Delaware. Mr. President, first, I want to say that I agree with the Senators who have said that if the Federal Government is going to build parks, they must be open to all of the people and not only to a certain group. On that point I am in agreement. However, I shall support the amendment of the Senator from South Carolina to strike this title from the bill. It does not have any part in an agricultural bill.

If we want to start a program of building parks in this country, we have established agencies of the Government that can do it. Why confer on the Secretary of Agriculture, in the name of helping the farmer, the right to build hunting lodges, for example. If I want to go hunting why should the Secretary of Agriculture build a hunting lodge for me? Why should the Department of Agriculture establish hunting preserves, tourist camps, and swimming pools in the name of agriculture? If we want parks constructed, let us develop the parks in this country through the established facilities of the Interior Department—and if we want them, let us build them openly and aboveboard, and not in a bill in which the costs are going to be charged to the American farmer.

Mr. THURMOND. Mr. President, the distinguished junior Senator from New York [Mr. KEATING], I believe, made a statement that he was pleased I had interpreted the history as he indicated. His statement was not accurate. I made no such interpretation. I merely cited what had occurred during the consideration of the bill.

I now yield the remainder of my time to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, may I have some additional time?

Mr. AIKEN. Mr. President, I yield 3 additional minutes to the Senator from Florida, on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. I thank the Senator.

I agree with the Senator from Delaware in opposing title I, primarily because it is the beginning of a grandiose scheme which was given a clear airing in the committee, and which every Senator ought to know about.

I am thoroughly in accord with the idea that the forced integration that would follow would bring trouble, and the evidence is clear on that, because much of the trouble that has originated in interracial matters has come in integrated swimming pools, playgrounds, and the like.

But let us forget about that for a moment and think about the suggested new and almost unlimited activity suggested for the Department of Agriculture. The Secretary of Agriculture frankly stated to the committee that he had in mind a rural renewal program which would be comparable to the urban renewal program. He asked for the right of condemnation of lands of all kinds, whether marginal or not; for the right of operation of a tremendous empire of recreational facilities at almost unlimited expense.

Of course, the committee cut out the worst features—the right of condemnation and operation. Nevertheless, we know what was intended; that was the program; and it was fully confessed to be so.

We still have in the bill another part that relates to the Farmers Home Administration, which gives the right to make loans to get lands of any kind, whether marginal or not, whether residential or not, whether industrial or not, for this purpose. We have, even under the present limitations, very high commitments for the loans of Federal moneys for this new purposes: for instance, \$60,000 to any individual farmers; \$500,000 to any association of farmers; \$1 million to an association of farmers for the purpose of getting a loan which would be insured by the Farmers Home Administration; \$250,000 to a public unit for the development of recreational facilities, without the matter being referred to anybody, and in the sole discretion of the Secretary of Agriculture; an unlimited amount beyond the \$250,000, limited only by available appropriations, if the matter is referred to the two committees in the House and the Senate and is approved by those two committees.

This is the beginning of a big scheme which I certainly will not approve, because I do not think it is either wise or necessary. We have four or five Federal agencies engaged in the development of recreation facilities. I see no reason at all why we should launch this tremendous and unlimited effort, particularly when we know the bureau which will administer it has in mind something vastly larger than what is provided in the limited terms of this particular committee bill.

I do not favor title I, primarily for the reasons which I have stated, and particularly that part relating to the Farmers Home Administration, which has been used always as a beneficent help for submarginal farmers to obtain farms of their own, to develop farms of their own, to build housing on them, and do those things which have done so much good throughout our country. Now to inject this kind of feature in the bill, which has nothing to do with the func-

tions of that executive agency, would be objectionable. I object to it. That is primarily why I shall support the amendment.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes on the bill.

I said yesterday this item was completely miscast in the pending bill. Frankly, it disturbs me, because I do not like to have people who are so devoted to the outdoors feel I am unsympathetic to their problem. I said these functions should be in the Department of the Interior. By executive order, they have set up the Bureau of Recreation and Recreational Development. In the Department of the Interior we have the Fish and Wildlife Bureau Service, the Bureaus of Commercial Fisheries, Land Management, and Public Land, and other agencies all identified with the outdoors. That is where this function should go, and it ought to be done on a project-by-project basis, and on the basis of direct appropriations.

I agree with the Senator from Florida that to dip into Bankhead-Jones funds seems to extend the old Bankhead-Jones Act beyond the original concept we ever had before.

I find myself between the devil and the deep blue sea. If some proposal were offered to put this function in the Department of the Interior, I would go along with it. I would hope ultimately it could be refined. But it is here, and since this provision will have particular appeal to urban people, since they will get the maximum benefit—the only place where it touches the agricultural segment of our economy is with respect to the amount of land which would be taken out of cultivation—this is not a function to be put in the Department of Agriculture. Let that Department devote itself to the business of solving the farmers' problems, and let the matter of recreation and recreational development go to that department of Government where it is properly coordinated and where it rightly belongs. Beyond that I have nothing to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR (when his name was called). On this vote I have a pair with the Senator from South Carolina [Mr. JOHNSTON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MONRONEY (when his name was called). On this vote I have a pair with the distinguished junior Senator from Louisiana [Mr. LONG]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SYMINGTON (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. BYRD]. If he were present and voting, he would vote "yea." If I were at liberty

to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. YARBOROUGH], the Senator from Wyoming [Mr. HICKEY], and the Senator from Wyoming [Mr. McGEE] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

If present and voting, the Senator from California [Mr. KUCHEL], and the Senator from Wisconsin [Mr. WILEY] would each vote "nay."

The result was announced—yeas 17, nays 65, as follows:

[No. 63 Leg.]

YEAS—17

Boggs	Hruska	Sparkman
Curtis	Jordan	Talmadge
Eastland	McClellan	Thurmond
Ervin	Robertson	Tower
Hill	Russell	Williams, Del.
Holland	Smathers	

NAYS—65

Aiken	Dodd	Miller
Allott	Douglas	Morse
Anderson	Dworshak	Morton
Bartlett	Ellender	Moss
Beall	Engle	Mundt
Bennett	Fong	Murphy
Bible	Goldwater	Muskie
Burdick	Hart	Neuberger
Bush	Hartke	Pastore
Butler	Hayden	Pearson
Byrd, W. Va.	Hickenlooper	Pell
Cannon	Humphrey	Prouty
Capehart	Jackson	Proxmire
Carlson	Javits	Randolph
Case, N.J.	Keating	Saltonstall
Case, S. Dak.	Kefauver	Scott
Chavez	Lausche	Smith, Mass.
Church	Long, Hawaii	Smith, Maine
Clark	Mansfield	Williams, N.J.
Cooper	McCarthy	Young, N. Dak.
Cotton	McNamara	Young, Ohio
Dirksen	Metcalfe	

NOT VOTING—18

Byrd, Va.	Johnston	McGee
Carroll	Kerr	Monroney
Fulbright	Kuchel	Stennis
Gore	Long, Mo.	Symington
Gruening	Long, La.	Wiley
Hickey	Magnuson	Yarborough

So Mr. THURMOND's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I offer an amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. Following the word "Secretary" in line 5, page 3, it is proposed to add: "(in cooperation with the Bureau of Outdoor Recreation on recreational development)."

Following the word "Secretary" in line 3, page 5, it is proposed to add: "(in cooperation with the Bureau of Outdoor Recreation on recreational development)."

On page 7, line 16, it is proposed to strike the word "him" and insert in lieu thereof the following: "the Bureau of Outdoor Recreation."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, I yield myself 2 minutes.

I believe at the time title I was drafted, the drafters did not realize that the Secretary of the Interior would be establishing a Bureau of Outdoor Recreation. Such a Bureau has recently been established. The function of the Bureau is to serve as a coordinating agency for all activities pertaining to recreation in Federal activities. All my amendment would do would be to make clear that in title I, under which the Secretary of the Interior would take certain activities pertaining to recreation under the Soil Conservation and Domestic Allotment Act, under the Bankhead-Jones Farm Tenant Act, and under the Watershed Protection and Flood Prevention Act, he shall undertake such activities in cooperation with the Bureau of Outdoor Recreation.

I have discussed the amendment with the distinguished Senator from New Mexico [Mr. ANDERSON], the chairman of the Committee on Interior and Insular Affairs, and also with the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry. I understand that the amendment is acceptable to them.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am sorry that there has been a misunderstanding. I did not say that I would agree to accept the amendment, but that I would look into it and study it.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Certainly the Senator from Iowa would not state that the Senator from Louisiana had agreed to accept it unless the Senator from Iowa had received that understanding. The Senator regrets that there was a misunderstanding.

Mr. ELLENDER. The Senator came to me and said that the amendment was in accord with the views of the Senator from New Mexico [Mr. ANDERSON]. That was the information the Senator imparted to me.

In any event, as the Senator in charge of the bill, I believe the amendment should be rejected. The creation of the new Bureau of Outdoor Recreation in the Department of the Interior has to do with the management of public facilities owned and controlled by the Federal Government. The provisions of title I which would be amended by the Senator's amendment relate to projects to be carried out by individual farmers, State and local public bodies, and local watershed project sponsors. They are no part of a federally operated recreation system.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I regret very much the misunderstanding that the Senator from Iowa had. The Senator from Iowa thought the amendment was acceptable to the Senator from Louisiana. I believe that the amendment would help the title. If the Senator from Louisiana does not wish to accept the amendment, the Senator from Iowa will not press it. Title I can remain defective. The Senator from Iowa withdraws his amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

Mr. ROBERTSON. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 8, between lines 22 and 23, it is proposed to insert a new section as follows:

SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by redesignating section 204 as section 205 and adding after section 203 a new section as follows:

"SEC. 204. (a) The President is hereby authorized to make available to the needy peoples of friendly nations or areas in Africa and Asia corn, barley, and grain sorghums owned by the Commodity Credit Corporation and determined by the Secretary of Agriculture to be excess to the domestic requirement of the United States, including adequate carryover and anticipated export for dollars.

"(b) The provisions of section 203 of this title shall be applicable to the disposition of commodities made under the provisions of this section, except that the dollar limitation prescribed in the first sentence of such section shall not be applicable with respect to such dispositions.

"(c) The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

"(d) No assistance shall be made available under the provisions of this section to the peoples of any nation or area which has a Communist form of government or which is dominated or controlled by the international Communist movement."

On page 8, line 23, it is proposed to strike out "SEC. 201." and insert in lieu thereof "SEC. 202."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia. How much time does the Senator yield himself?

Mr. ROBERTSON. Ten minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. ROBERTSON. Mr. President, my life has been lived within the shadows of the Blue Ridge Mountains. Like Thomas Jefferson, I early resolved never to wear any character other than that of a farmer. I have lived in farming areas. I have worked on the farm and throughout my life I have been familiar with problems that confront agriculture. Consequently, it has caused me deep concern that during the past 10 years, as our gross national product gradually rose to the alltime peak of \$550 billion, and the gross produced income to the alltime peak of \$430 billion, our farmers have gradually fallen lower and lower in the percentage that they had of that unprecedented national prosperity.

Thomas Jefferson in his day rejoiced in the fact that 80 percent of the American people were engaged in farming. He held that our farmers were the backbone of our democracy and of American constitutional liberty, and he expressed the hope that the day would never come when not less than 50 percent of our people lived on the farm.

What do we see today? Because farming has been a hard way of life, because the return to farmers has been most inadequate, our farm population has dropped to only 13 percent of our entire population. Yet because of the willingness of farmers to work in the tradition of the Founding Fathers, not a 30-hour week, not a 40-hour week, and not an 8-hour day, but from sunup to sundown, and frequently 7 days out of the week, they have increased their per capita production more than any other segment of our economy. I say they have shared progressively less and less in the national prosperity.

Now we have a program before us to take from them more and more of their traditional freedom of action, and put them more and more under regulations which have accumulated debts for the Nation, which have accumulated unmanageable surpluses for the administration, and have failed to bring prosperity to our farmers.

Congress, in September 1949, had a chance to return our farmers to a system of private enterprise. Under the grave urgency of World War II, when we had more of our boys committed to military service than ever in our history, when our allies in Europe would have perished but for our supplies—we called upon our farmers to increase and still further increase their production.

Consequently, when the war suddenly terminated, and the oversea market for our surplus produce disappeared, Congress said to the farmers, "We will give you a 2-year transition period to get back to a system of private enterprise."

At the end of that 2 years there were those in charge of the program who said, "They are not yet back, and we want to give them 2 years more."

We had a bill in 1949. The House was not willing to give up the political pap and pomp and so forth of telling the farmer, "We are doing something for you. We are giving you 90 percent of parity. Vote for us."

That bill came over to the Senate in September 1949. We voted for a program of flexible parity. At least I did, along with a slim majority of the Senate. That was the time when we could have started the farmer back to the only sure and certain method for his fair share of the national prosperity, or at least the self-respect that comes from being a freeman.

I am sure that all Senators remember Aesop's fable of the wolf and the great dane. The wolf came by, and the great dane said to the wolf: "I have never seen such hunger and poverty as I see in you. Your ribs are sticking out. Your flanks are all withered. Look at me. Look how much better I am."

The wolf said, "Wait a minute. What has become of the hair on your neck?"

"Oh," the great dane said, "that is where the collar has rubbed it off, as they chain me here to this kennel."

The wolf said, "I would rather be a lean wolf and free, than a fat dog chained to a kennel."

I believe that summarizes the attitude, overall, of the American farmer.

In conference, in 1949, the Senate yielded to the importunities of the House to continue the 90-percent rigid parity.

Then what happened? Well, naturally our dairy farmers wanted to get into it, and we put cheese and butter in the program, and lost millions of dollars. Our good friends from Maine and elsewhere wanted to get into it. We put potatoes into it, and we lost millions of dollars on that. We have lost all along the line. This year, without having accomplished anything worth while for the farmer's welfare, we are going to put \$7,200 million into this farm support program.

Yesterday I voted for two amendments, offered by the distinguished Senator from Louisiana. Why? Because they would cut the expenses of the program by \$785 million. I did not care for the regimentation in the feed grain amendment, but I was concerned about the tremendous increase in the cost of the program, when we were not helping the farmer and when we were not taking him out of the ditch.

I propose to return merely a segment of agriculture to free enterprise by lifting from over the farmer's head the Damocles sword of a tremendous surplus of feed grain; that is, when the referendum comes under the Ellender bill, if it is enacted into law. The same provision is in the House bill. It looks as though we are going to pass the Ellender bill, and the House will pass the Ellender bill, and Congress will approve the Ellender bill. The feed grain farmers will then vote. Are they going to vote free or under the penalty, "If you do not accept

this collar around your neck, we are going to break your financial back by dumping millions of tons on you"?

I say millions advisedly. We have 75 million tons of feed grains. We can dump that.

Are we going to say to the farmer, "If you do not accept this regimentation, we are going to dump it on you and break your backs"? Is that a fair deal for our farmers?

I am asking the Senate to give them a fair vote. Let us do a little figuring. What did it cost the taxpayers for this feed grain program last year alone? Last year we invested \$526 million.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ROBERTSON. I have very little time remaining. I wish the Senator would get some time from the time allowed on the bill.

Mr. BUSH. I will ask for time on the other side.

Mr. ROBERTSON. I yield.

Mr. BUSH. It is my recollection that Public Law 480 was designed to get rid of these surpluses. Was that not part of the original purpose of Public Law 480?

Mr. ROBERTSON. Oh, yes. For a part of the grain under Public Law 480 we must be paid. We do not give it all away. Under one section we can give away up to \$300 million worth.

Mr. BUSH. Have we received any dollars for Public Law 480 goods?

Mr. ROBERTSON. No; only soft currency. It is all on the cuff.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. ELLENDER. I yield 10 minutes to the Senator from Virginia on the bill.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BUSH. The Senator has answered my first question, to wit, Public Law 480 was designed to help get rid of our surpluses.

Mr. ROBERTSON. Yes.

Mr. BUSH. Is it not true that instead of doing that, our surpluses have gone sky high?

Mr. ROBERTSON. Yes; it has come to the point, as I said, that this year the purchase program is going to cost us \$7.2 billion, and the cost will keep going up. There are scandals, too. I do not want to call the name of any State where something like that has happened. However, there are scandals over storage. What is involved in storage? It is 15 cents a bushel. If we multiply 15 by 7, we get a price exceeding the price of corn. So what happened?

The cost of storage is going up all the time. We are paying 15 cents a bushel for storage. The investment goes "down the sink" of storage charges in 7 years. So I ask, Why not get a little credit? Why not get a little credit for helping the starving Chinese and the refugees in Hong Kong? Why not get a little credit in India? How much are we going to give them, and how much are we not going to give them? Why not give the

taxpayers credit at the same time? The taxpayers will lose the money anyway, make no mistake about it. It is being paid for storage. Give our farmers, next year, when they vote on market controls on feed grain, a fair vote. Permit them to say whether they want 75 percent price supports with controls or up to 50 percent, and be free to raise what they please.

Mr. BUSH. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. BUSH. Is not the Senator afraid that by emptying the warehouses and getting rid of the grain, as he proposes, we will simply be inviting an increase in the price support program, just as happened under the Public Law 480 program, and that instead of being able to reduce surpluses, the Senator's proposal will increase them?

Mr. ROBERTSON. Far be it from me to deny that Congress might yield to political pressure. But Congress would not do that unless it were to yield to political pressure. If we do get rid of surpluses, and then create surpluses somewhere else; what would that be but political pressure? I will not say that the Senate might do that; I cannot deny the possibility.

Mr. HUMPHREY. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. I have listened to the Senator's proposal, about which he spoke to us earlier in the day. What the proposal does is to take the ceiling off that part of Public Law 480 which relates to gifts to needy people in other parts of the world. I should like to make one or two points.

Mr. ROBERTSON. Of course, the Senator is doing it in his own time on the bill, is he not?

Mr. HUMPHREY. I shall be happy to do so.

Mr. ROBERTSON. I thank the Senator very much.

Mr. HUMPHREY. The Senator from Virginia had a full hour on the amendment; I did not think he planned to use all of it.

Mr. President, will the Senator from Louisiana yield me 5 minutes on the bill?

Mr. ELLENDER. Very well; divided between the Senator from Minnesota and the Senator from Virginia.

Mr. HUMPHREY. Mr. President, if the Senator from Louisiana will not yield me the time, I will yield it myself.

First, the so-called 90 percent of parity provision, which the Senator from Virginia takes such delight in harpooning, is not the provision which brought on the surplus. I have been interested in the question of agriculture for some time, not nearly so long as the Senator from Louisiana has been, but I served on the Committee on Agriculture and Forestry for 8 years.

It happened that when the flexible price support structure came into being, the bins were flexed that much larger. The biggest accumulation of food in the Nation's history came when we had 65 percent of parity. When there were no controls and 65 percent of parity—flex-

ible from 100 percent down to 65—everybody was flexed right out of the ball park.

So let us get the record straight. There was three times as much corn in the Government bins under 65 percent of parity as there was under 90 percent of parity. That is a fact, not an opinion. So that is the first point I wanted to get straight.

Mr. ROBERTSON. Straight, until I get the floor.

Mr. HUMPHREY. The Senator from Virginia cannot twist that statement, because it is a fact.

The next point to which I wish to call the Senator's attention, on my own time, is that I hope we can get the Chinese to eat corn, barley, and grain sorghums, because that is what we are planning to dispose of. They will eat some wheat, but wheat is not included. They do like rice, but rice is not included. What we are asking them to eat is corn, much of which is not fit for human consumption; and barley and grain sorghums. With all due deference to the dietary habits of any people, I have not seen too many persons lining up at any counter and saying, "Please pass the grain sorghums." [Laughter.] I have known some people who do eat barley and corn, but they do not generally eat it or consume it in what we call the dry form.

But do not misunderstand me. I think the Senator's amendment might well offer some assistance if it can be properly used. But I do not believe we ought to kid ourselves. Let us quit fooling one another. One reason why we have such a large surplus of grain is that we have not been able to move much under Public Law 480. Why? Because in very few places in the world is corn or maize used for human consumption. That is one of the simple facts. It might be possible to train people to change their dietary habits, but it is pretty hard to do so, even in the case of the little ones, and even before they have gone through the environmental situations of adulthood. It is difficult to change eating habits either here or abroad.

The point which I think needs to be made is that while on its face the proposal seems to offer great assistance as a humanitarian motivation, I do not think we ought to delude ourselves for a moment. The Chinese people do not eat corn.

Second, they do not like barley. Third, I do not know of anyone, except animals, who eats grain sorghums.

Mr. LAUSCHE. Can we pay them some money to take them?

Mr. HUMPHREY. The advantage, if we wish to consider this as a practical proposition, is that if there could be poultry and animal raising in the areas where we extend aid, the feed grains could be used. Feed grains find their way into humans through either fowl or animal. That is the way to utilize feed grains.

This is not a laughing matter. I think the Public Law 480 program and the food-for-peace program are godsend; that they are a part of the Judaeo-Christian philosophy of assistance, and comprise one of the finest aspects of our foreign policy.

I do not think it will do us any good to say that we will open up our bins to empty them, so as to enable our farm economy to get back on a free market. We will not get back on a free market by opening them anyhow, because it is not possible to dispose of so large a quantity of corn in a short period of time; it would be impossible.

I thought \$300 million was an arbitrary figure, in the first place. If that is the Senator's objective, more power to him, but let us not go around pretending that somehow or other, once we have taken off the ceiling, we will have solved the problem. We have cotton which cannot be disposed of. Senators know it. We do not have certain kinds of textile mills that can use it. There are certain other kinds of food which cannot be disposed of in certain parts of the world.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ROBERTSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Virginia has 6 minutes remaining.

Mr. ROBERTSON. Mr. President, the Senator from Minnesota seems to indicate what we, who have been devoting our time to banking, appropriations and other subjects are up against when we seek to ascertain the facts.

I asked the chairman of the committee, "Will this proposal raise the price of feed grains to poultrymen and cattlemen?" He said, "Oh, no. In Virginia, from 85 to 95 percent of the farms plant less than 25 acres of corn." I asked, "Will they be under the program?" The answer was, "Oh, no."

Then, when the distinguished acting minority leader, the Senator from Vermont [Mr. AIKEN], took the floor, he indicated that all the chickens in New England could not stand the bill; it would wreck them.

Then when I spoke about a referendum on the farms, and asked if the farmers will have a chance to vote, the answer was, "Oh, yes."

Over on the Republican side, crocodile tears are shed because farmers will be regimented under the bill. So, when we try to get the facts involved, that is the last thing we can get.

I reply to the distinguished Senator from Minnesota: Yes, I raise the limit of the \$300 million, but my purpose is not solely for that; my purpose is to get rid of controls, and this is a good way to do it. I seek to get rid of controls upon farmers who grow feed grains. That is what we want to do. I want to start a movement to get farmers back under a private enterprise system. So this is where I thought we might make a start.

Senators know that in 10 years we have been falling behind. We all know that we have sunk millions of dollars into the farm program. We know that this proposal will not give anything away; we will lose it anyhow. The distinguished Senator from Minnesota says that most of the feed grains are not fit to eat anyway. Even if we keep paying \$1,500,000 a day for storing it, it is no good. I want to get rid of it. I want to stop the drain upon the taxpayers. I

want to give the farmers a fair, just vote in a referendum, and not be under the threat of having a threat held over them by anyone who wants to keep his power of control, and can say, "If you don't vote as I want you to vote, it will be bad for you."

Mr. HUMPHREY. I hope the Senator has not misunderstood me. When I said that grain was not fit to eat, I was referring to human consumption of it. We have price supports on cotton, but we do not eat cotton. We do not even wear a bale of cotton, unless it is at a masquerade parade.

Mr. ROBERTSON. The Stonewall Brigade fought for days on parched corn and whipped a lot of the enemy.

Yet, today some persons say that the people of China will not eat cornmeal, even though they are starving to death.

Mr. HUMPHREY. Mr. President, I am not opposed to their trying it; I am entirely in favor of their doing that. For 8 years we have been trying to give away corn, grain sorghums, and barley for human consumption and for animal feed, but it has been rather difficult. We have no problem in giving away our rice or our wheat or our cotton, or selling them, either. But when it comes to feed grains, the fact is that they are for animal and poultry consumption. After all, feed grains are used primarily for animal husbandry—for the production of poultry and animals. No matter how warm the hen, it takes a certain number of days to hatch an egg; and no matter how good the feed grains may be, it takes a little while to fatten a hog.

Mr. ROBERTSON. But I point out that the Secretary of Agriculture himself has said that the annual Commodity Credit Corporation expenditures on carrying charges for these three crops will exceed \$1,400 million by the fiscal year 1967.

Mr. HUMPHREY. That is why I voted for the Ellender amendment.

Mr. ROBERTSON. I did, too; and it saves some money, but it will be at the expense of the freedom of our farmers.

Mr. RANDOLPH. Mr. President, will the Senator from Virginia yield very briefly to me?

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from Virginia yield to the Senator from West Virginia?

Mr. ROBERTSON. I yield.

Mr. RANDOLPH. I do not wish to be facetious; but, as regards corn, if there were less scrutiny by the Federal Government, I know several areas of the country in which the production of moonshine would increase. [Laughter.]

Mr. ROBERTSON. Mr. President, as the Senator from Vermont pointed out yesterday, we have never tired to enforce rigid controls over 113 million acres of feed grain land.

The PRESIDING OFFICER. The time available to the Senator from Virginia has expired.

Mr. ROBERTSON. Mr. President, I ask all the friends of free enterprise to vote for my amendment.

Mr. ELLENDER. Mr. President—

Mr. PASTORE. Mr. President, will the Senator from Louisiana yield to me 1

minute, so that I may explain my position on this amendment?

Mr. ELLENDER. I yield.

Mr. PASTORE. Mr. President, I shall support this amendment, although not for the reasons enumerated by the distinguished Senator from Virginia. I am not trying to affect the votes farmers will cast when the referendum is held, but I am interested in the moral aspect of this matter. America has warehouses simply bulging with agricultural commodities which our people are unable to eat, for all this excess we expend huge sums of money in providing storage facilities; but in other parts of the world many people are starving. If we offer to those who are starving the agricultural commodities that our people cannot eat and cannot use, I think the effect on mankind will be wonderful and even uplifting to ourselves.

Mr. HUMPHREY. Mr. President, if the Senator will yield to me, let me ask whether the Senator from Rhode Island thinks it would be well to include the word "wheat"?

Mr. PASTORE. Yes; I think it should be included, too.

Mr. HUMPHREY. I think so, too.

Mr. CARLSON. Mr. President, will the Senator from Vermont yield to me 2 minutes on the bill?

Mr. AIKEN. I yield.

Mr. CARLSON. Mr. President, I certainly do not want to become involved in controversy with the distinguished Senator from Virginia; and of course I, too, have great sympathy with people who are hungry. But in dealing with these

matters, I believe we should be factual and should know what has happened in the past.

I have before me the 15th semiannual report on the activities carried on under Public Law 480; the report came to us from the White House on April 9 of this year, and it shows how difficult it is for us to get our feed grains to other countries.

For instance, I now read from page 10 of the report:

Two hundred and seventy-four agreements, or supplements to agreements, with a total CCC cost of \$10,872.7 million, have been entered into with 42 countries since the inception of the program in July 1954.

The interesting point is that during all these years we have been able to move to those countries only 163,435,000 bushels of corn, 6,807,000 bushels of oats, 127,802,000 bushels of barley, 51,418,000 bushels of grain sorghums, and 4,737,000 bushels of rye.

I believe all Senators should examine the figures set forth in this report.

As the Senator from Minnesota has said, there is little or no trouble in selling our surplus wheat; in fact, these countries have taken approximately 2,322,770,000 bushels of wheat and wheat flour, and 5,851,125,000 pounds of fats and oils.

I ask unanimous consent that the table to which I have referred be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—Commodity composition of all title I agreements signed through Dec. 31, 1961

Commodity	Unit	Approximate quantity	Export market value	Estimated CCC cost
Wheat and wheat flour	Bushel	¹ 2,322,770,000	Millions \$3,816.1	Millions \$6,329.6
Feed grains	do.	² 354,199,000	415.6	527.3
Rice	Hundredweight	71,668,000	409.1	676.7
Cotton	Bale	³ 6,301,000	926.3	1,273.0
Cotton lint	do.	7,500	.3	.3
Meat products	Pound	113,193,000	38.1	38.1
Tobacco	do.	332,732,000	241.4	241.4
Dairy products	do.	362,916,000	59.6	93.5
Fats and oils	do.	5,851,125,000	806.7	813.7
Poultry	do.	18,390,000	5.6	5.6
Dry edible beans	Hundredweight	488,000	3.9	3.9
Fruits and vegetables	Pound	188,689,000	17.5	17.5
Seeds	Hundredweight	10,000	.4	.4
Total commodities			6,740.6	10,021.0
Ocean transportation to be financed by CCC			851.7	851.7
Total, including ocean transportation			7,592.3	10,872.7

¹ Wheat and wheat equivalent of flour.

² Feed grains breakdown:

Corn	bushels	163,435,000
Oats	do.	6,807,000
Barley	do.	127,802,000
Grain sorghums	do.	51,418,000
Rye	do.	4,737,000
Total	do.	354,199,000

³ Includes 51,700 bales extra long staple cotton.

Mr. LAUSCHE. Mr. President, will either of the Senators who are in charge of the time yield briefly to me?

Mr. AIKEN. Mr. President, we have 33 minutes remaining under the control of our side; therefore, I believe it will be appropriate for the other side to yield some time to the Senator from Ohio.

Mr. ELLENDER. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, there has been debate in regard to giving surplus foods to other countries. However, I point out that the report shows that we have distributed \$11 billion worth of food under Public Law 480; and certainly that is not a trifling amount. For that \$11 billion worth of food, we have received, in return, practically no dollars; practically all of the returns have been in the form of so-called soft currencies,

which are of little or no use to us, for the soft currencies remain in the countries to which we have allegedly sold the food. However, in effect, instead of selling it to them, we have given it to them.

If there is any question about the correctness of the figures I have submitted, I hope they will be challenged at this time. But I repeat that we have disposed of \$11 billion worth of food in the form of absolute gifts and exchanges for soft currencies, barters, and donations.

Mr. BUSH. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I shall yield in just a moment.

Intermittently, I receive letters from citizens in Ohio who ask, "Why don't we do more with our food?" They do not know that we have disposed of \$11 billion worth.

Today, it was stated on the floor of the Senate that we have done practically nothing with our surplus foods; but I submit that is not a fact.

Now I yield to the Senator from Connecticut.

Mr. BUSH. Does the Senator from Ohio feel that the disposal of all these agricultural commodities under Public Law 480 has constituted a sound ap-

proach to reducing our surpluses of those commodities? In other words, have our surpluses of them increased or decreased under the administration of that law?

Mr. LAUSCHE. It is true that they have increased during this period.

Mr. LAUSCHE subsequently said: Mr. President, I ask unanimous consent to have some tables printed in the RECORD following my remarks of a short time ago on the dollar volume of Public Law 480 aid, which we have given to the world.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE, FOREIGN AGRICULTURAL SERVICE, WASHINGTON, D.C.

Title I, Public Law 480: Agreements signed from beginning of program (as modified by purchase authorization transactions) through Apr. 30, 1962

[In thousands of dollars]

	Country	Date signed	Market value excluding ocean transportation	Ocean transportation	Estimated CCC cost including ocean transportation
1-22	Fiscal year 1955		326,112	28,576	466,942
23-59	Fiscal year 1956		616,150	55,141	956,463
60-100	Fiscal year 1957		911,268	123,140	1,468,478
101-135	Fiscal year 1958		670,524	57,342	991,836
136-158	Fiscal year 1959		751,542	82,722	1,121,513
159-195	Fiscal year 1960		994,286	141,514	1,699,736
196-246	Fiscal year 1961		1,541,252	225,866	2,747,823
247-290	Fiscal year 1962 through Mar. 31, 1962		1,216,603	161,773	1,885,053
291	Poland (amendment)	Apr. 19, 1962	15,300	500	23,500
292	Yugoslavia (amendment)	Apr. 21, 1962	12,900	1,600	22,000
293	United Arab Republic (amendment)	Apr. 23, 1962	12,400	1,600	21,400
294	China	Apr. 27, 1962	2,900	100	4,300
295	Uruguay	do	1,900	100	2,000
	Subtotal, July 1, 1961, through Apr. 30, 1962		1,262,003	165,673	1,958,253
	Total, all agreements signed through Apr. 30, 1962		7,073,137	879,974	11,410,044

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962

[In millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transportation ¹	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Bolivia	2.2		0.6	1.1					3.9	0.5	4.4	6.3
Brazil	50.6	1.8							52.4	6.2	58.6	93.2
China	15.6	.2		14.1	1.7	0.1	1.5		33.2	3.0	36.2	50.1
Congo	1.5		2.0		.7	2.3		0.3	6.8	.7	7.5	10.1
Finland				1.5	.2				1.7	.1	1.8	2.1
Greece	1.9	7.0							8.9	1.3	10.2	11.6
Guinea	1.2		5.4						6.6	.9	7.5	11.4
Iceland	.6	.3	.1		.5		.1	.1	1.7	.3	2.0	2.3
Indonesia	19.6		36.1	36.3	10.0				102.0	9.5	111.5	168.1
Iran	6.1						1.4		7.5	1.8	9.3	12.9
Korea	15.5			22.5					38.0	2.8	40.8	60.4
Morocco	12.7								12.7	1.6	14.3	22.0
Pakistan	349.4	23.6		15.9	8.0	2.4	146.8	.4	546.5	88.4	634.9	826.8
Paraguay	5.5								5.5	1.4	6.9	10.4
Philippines				21.0					21.0	.7	21.7	32.9
Poland	25.0	6.2	1.5	13.8			9.5		56.0	4.4	60.4	82.7
Sudan	3.8								3.8	.8	4.6	6.8
Syrian Arab Republic	6.3		1.5		.2				8.0	1.3	9.3	14.1
Tunisia	3.2	1.9							5.1	.6	5.7	7.5
Turkey	87.4	.5					19.6		107.5	13.1	120.6	175.1
United Arab Republic (Egypt)	76.1	14.2			6.5	(*)	26.3		123.1	14.8	137.9	183.6
Uruguay					1.9				1.9	.1	2.0	2.0
Vietnam	3.3		5.8	4.2	2.6	7.9			23.8	2.4	26.2	33.1
Yugoslavia	62.9			9.1			11.9	.4	84.3	8.9	93.2	132.6
Total agreements signed July 1, 1961, through Apr. 30, 1962	750.4	455.7	53.0	139.5	32.3	12.7	217.1	1.2	1,261.9	165.6	1,427.5	1,958.1
Total agreements signed through June 30, 1961	3,251.9	366.9	387.9	863.7	221.7	45.5	608.6	64.7	5,810.9	714.4	6,525.3	9,451.6
Total agreements signed through Apr 30, 1962	4,002.3	422.6	440.9	1,003.2	254.0	58.2	825.7	65.9	7,072.8	880.0	7,952.8	11,409.7

Footnotes on next page.

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962—Continued

¹ Includes ocean transportation to be financed by CCC.² \$9.6 million extra-long staple cotton.³ Negative.⁴ See the following:

	Millions
Corn.....	\$44.7
Barley.....	11.0
Total.....	55.7
See the following:	Millions
Condensed milk.....	\$7.7
Dried whole milk.....	1.5
Nonfat dry milk.....	2.2
Evaporated milk.....	.7
Dried eggs.....	.6
Total.....	12.7

⁵ See the following:

	Millions
Cottonseed and/or soybean oil.....	\$190.0
Tallow.....	27.1
Total.....	217.1
See the following:	Millions
Fruit: Iceland and Yugoslavia.....	\$0.5
Congo poultry.....	.3
Pakistan poultry.....	.4
Total.....	1.2

TABLE II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962

[In thousands]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Poultry	Dry edible beans	Fruits and vegetables	Meat	Hay and pasture seeds
	Bushels	Bushels	Hundred-weight	Bales	Pounds	Pounds	Pounds	Pounds	Hundred-weight	Pounds	Pounds	Hundred-weight
Bolivia.....	1,465		110	6.5								
Brazil.....	29,395	1,462										
China (Taiwan).....	14,685	197		100.0	2,000	714	14,773					
Congo.....	999		333		1,323	10,860		1,154				
Finland.....				10.0	385							
Greece.....	1,100	5,661										
Guinea.....	772		992									
Iceland.....	399	252	7		500		732			460		
Indonesia.....	12,552		6,437	242.0	13,889							
Iran.....	3,674						8,818					
Korea.....	9,186			150.0								
Morocco.....	7,349											
Pakistan.....	211,390	19,684		72.0	8,000	22,441	1,059,458	1,102				
Paraguay.....	3,004											
Philippines.....				150.0								
Poland.....	14,391	4,899	221	92.0			81,574					
Sudan.....	2,388											
Syrian Arab Republic.....	3,724		273		222							
Tunisia.....	1,837	1,378										
Turkey.....	51,548	388					154,323					
United Arab Republic (Egypt).....	48,240	11,672			9,921	553	193,286					
Uruguay.....					2,000							
Vietnam.....	2,358		967	29.0	4,333	38,875						
Yugoslavia.....	37,235			65.0			95,161			7,275		
Total agreements signed July 1, 1961, through Apr. 30, 1962.....	457,691	245,583	9,340	916.5	42,573	373,443	41,608,125	2,256		7,675		
Total agreements through June 30, 1961.....	2,015,313	314,608	68,019	5,905.0	306,720	282,994	4,367,440	15,965	481	187,247	113,193	10
Total agreements through Apr. 30, 1962.....	2,473,004	360,191	77,359	6,821.5	349,293	356,437	5,975,565	18,221	481	194,922	113,193	10

¹ 30,000 bales extra-long staple.² See the following:

	Thousand bushels
Corn.....	37,014
Barley.....	8,569
Total.....	45,583
See the following:	Thousand pounds
Condensed milk.....	38,500
Dried whole milk.....	3,625
Nonfat dry milk.....	27,377
Evaporated milk.....	3,500
Dried eggs.....	441
Total.....	73,443

⁴ See the following:

	Thousand pounds
Cottonseed and/or soybean oil.....	1,272,093
Tallow.....	336,032
Total.....	1,608,125

TABLE III.—Uses of foreign currency as provided in title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962¹

[Amounts are in thousand dollar equivalents at the deposit rate of exchange]

Country	Total amount in agreements (market value including ocean transportation)	104(c)—Common defense	104(e)—Grants for economic development	104(e)—Loans to private enterprise	104(g)—Loans to foreign governments	For U.S. uses ²
Bolivia	4,379			600	3,084	695
Brazil	58,600		11,720		35,160	11,720
China (Taiwan)	36,150	19,401		3,315	6,565	6,869
Conce	7,500		6,760			750
Finland	1,800			450	180	1,170
Greece	10,200			1,530	5,100	3,570
Guinea	7,500				5,700	1,800
Iceland	1,845				1,384	461
Indonesia	111,525		2,025	5,576	90,889	13,035
Iran	9,000			450	6,300	2,250
Korea	40,800	35,822		598		4,080
Morocco	14,200			2,130	8,520	3,550
Pakistan	634,150		434,615	31,771	128,733	39,031
Paraguay	6,900		2,760	345	2,760	1,035
Philippines	21,750	5,002	3,045	5,438	2,827	5,438
Poland	60,400					60,400
Sudan	4,600		1,150	690	1,610	1,150
Syrian Arab Republic	9,000			1,350	5,850	1,800
Tunisia	5,700				4,845	855
Turkey	120,500	15,018	54	19,811	61,517	24,100
United Arab Republic (Egypt)	137,740		13,731	13,774	82,687	27,548
Uruguay	2,000			500	1,000	500
Vietnam	26,150	19,135		2,750		4,265
Yugoslavia	93,100		15,120		68,670	9,310
Total agreements, July 1, 1961–Apr. 30, 1962	\$ 1,425,489	94,378	490,970	91,378	523,381	225,382
Total agreements through June 30, 1961	\$ 6,592,258	398,801	1,129,519	389,593	2,944,624	1,730,321
Total agreements through Apr. 30, 1962	\$ 8,017,747	493,179	1,620,489	480,971	3,467,405	1,955,703
Uses as percent of total	100.0	6.2	20.2	6.0	43.2	24.4

¹ Many agreements provide for the various currency uses in terms of percentages of the amounts of local currency accruing pursuant to sales made under each agreement. In such cases, amounts included in this table for each use are determined by applying the specified percentages to the total dollar amount provided in each agreement. Amounts shown are subject to adjustment when actual commodity purchases and currency allocations have been made.

² Fiscal year 1962 agreements provide that a specific amount of foreign currency pro-

ceeds may be used under various U.S.-use categories, including currency uses which are limited to amounts as may be specified in appropriation acts. Included are uses specified under subsecs. 104 (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), and sometimes (c) and (d) insofar as specified in agreements.

³ Amounts shown in this column may differ from amounts on table I, which reflect purchase authorization transactions.

The PRESIDING OFFICER. The time yielded to the Senator from Ohio has expired.

The question is on agreeing to the amendment of the Senator from Virginia.

Mr. PASTORE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Is the amendment of the Senator from Virginia open to amendment?

The PRESIDING OFFICER. It is.

Mr. PASTORE. Must all time available on the amendment be either used or yielded back before an amendment to that amendment will be in order?

The PRESIDING OFFICER. Yes.

Mr. PASTORE. Mr. President, let me inquire how much time remains available on the amendment of the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining under his control; the Senator from Virginia has 5 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. What time remains for debate on the bill itself?

The PRESIDING OFFICER. The proponents have 95 minutes, and the opponents 46.

Mr. CURTIS. Mr. President, may I be yielded a little time?

Mr. ELLENDER. I yield 3 minutes to the Senator from Nebraska.

Mr. CURTIS. I rise to ask a question about a section in this bill which I think has a bearing upon the amendment of the distinguished Senator from Virginia, which amendment I expect to support.

I invite the attention of the chairman of the committee, as well as other Senators, to page 10 of the bill, beginning on line 19, and running through line 2 on the following page. That section reads:

In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States.

My question is, Does that mean that we are to start marketing the surpluses of other countries under Public Law 480 and other arrangements wherein we have tried to get rid of our surpluses?

Mr. ELLENDER. The section to which the Senator refers deals with the sale of grains for cash, but not for soft currencies.

Mr. CURTIS. Does it not refer to the long-time credit which can be extended by the Commodity Credit Corporation?

Mr. ELLENDER. That is correct.

Mr. CURTIS. In other words, there is a departure. Notwithstanding that we have fallen very short of the mark in getting rid of our own surpluses, we are

authorizing the President of the United States to use money to market the surpluses of other nations in the world.

Mr. ELLENDER. That is already in the law.

Mr. CURTIS. Why is it in this measure?

Mr. ELLENDER. The reason is that every time the President made attempts to persuade other countries to cooperate, the effort required much time, and it was always to no avail, because it was mandatory in the law. Now we make it optional. He does not have to do it.

Mr. CURTIS. Under this provision he cannot do anything the existing law does not permit him to do?

Mr. ELLENDER. No.

Mr. CURTIS. Has it been done in the past?

Mr. ELLENDER. The President has tried to persuade other countries to cooperate in furnishing food, but he has failed.

Mr. CURTIS. But this language refers to a sale.

Mr. ELLENDER. I understand, but that is what it means. It is for the purpose of making available a pool of food of all kinds in order to relieve people in underdeveloped countries.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. CURTIS. I yield, if I have time.

Mr. HUMPHREY. Section 405 relates to the language in section 404, which deals with sales of our commodities for dollars with interest, as the Secretary of the Treasury may determine.

That is what the Senator from Louisiana was saying. This provides for an agreement in which sales are not made in soft currencies, but for dollars.

Section 404 now reads:

In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

Section 405 reads:

In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

In other words, under the long-term credit agreements provided for in existing law, the Secretary of Agriculture had to make sure no other country's regular sales were being interfered with or that any other country's normal commercial contracts were being interfered with. In the proposed new law we are saying that they will have to take care of themselves.

Mr. CURTIS. This is a change beyond the change from "shall" to "may."

Mr. HUMPHREY. That is in the new language.

Mr. CURTIS. The new language would indicate that we would sell surpluses of foreign countries, but we would provide the credit.

Mr. HUMPHREY. No; the Senator is in error.

Mr. CURTIS. Then I misunderstood the reply of the Chairman about the meaning of "under the same terms and conditions."

Mr. HUMPHREY. No; every time we made long-term contracts under the old law we had to take into consideration the effect on the market conditions of some other country that had surpluses. These were and are friendly countries.

Mr. CURTIS. The provision does not so state.

Mr. HUMPHREY. The language is changed from "shall" to "may," and gives the Secretary the right to make a few more sales.

Mr. CURTIS. As I followed the distinguished Senator, there was a greater change than that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, how much time have I left?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ELLENDER. I wish to take 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Louisiana yields himself time on the bill.

Mr. ELLENDER. The amendment of the distinguished Senator from Virginia has some merit, but it strikes me that we should give consideration to it by a study, because we must not forget that, even under Public Law 480, relative to sales and donations, we assume the cost of carrying all these goods abroad and also the cost of storage abroad. I do not know what would be involved there. It seems

to me that a proposal of this kind should receive the study of the committee, and that we should work on the problem in connection with the disposal plan under Public Law 480.

On the other hand, we are about to consider a bill in which Congress will be asked to appropriate millions of dollars to help our friends across the seas; and it may be possible to use some of the surpluses rather than dollars. I suggest that that be done in connection with the foreign aid bill that will come up. Let us study this problem and try to deal with it in connection with Public Law 480.

Mr. PASTORE. Mr. President, I offer an amendment to the pending amendment.

The PRESIDING OFFICER. The amendment of the Senator from Rhode Island to the amendment of the Senator from Virginia will be stated.

Mr. PASTORE. Mr. President, on behalf of myself and the Senator from Minnesota [Mr. HUMPHREY], I move to amend the Robertson amendment by adding in section 204, subsection (a), after the word "sorghums" on line 3, the following: "wheat, vegetable oils, dried milk, cheese and butter."

The reason for the amendment is very simple.

The PRESIDING OFFICER. How much time does the Senator allow himself?

Mr. PASTORE. I have 10 minutes. I will allow myself 5 minutes initially.

If we are to follow the policy suggested—and I am not suggesting that the invitation that has been made by the distinguished chairman who is in charge of the bill should not be followed, namely, that the proposal should be taken back to the committee where it can be studied at some length.

The Senator from Rhode Island is not interested in this amendment for the reasons explained by the Senator from Virginia. The Senator from Rhode Island is interested in this amendment only because of the moral value involved. We have been talking for days about grains, wheat, dried milk, vegetables, and all the other agricultural products that we have in abundance, we have been talking at length about the expense involved in keeping the commodities in storage and all the scandals that have developed.

It is quite apparent that the American people have more than they can eat. That is the reason why we have the agricultural problem. That is the reason why we say we ought to cut down on the acreage in production, because American farmers are growing too much.

If we do not eat the food and if we do not cut down on the acreage in production, about all we can do is to destroy it or to give it away. Many people of the world are crying for food. We have seen the dramatic pictures published in the newspapers and the stories about the refugees who are coming out of Red China and going into Hong Kong.

If we have these grains in surplus, if we have this extra food, if it is true that we have more than we can use and if it

is true that it is costing so much to keep it in storage—if it is true that even now it is spoiling and being despoiled—why not give it to some hungry little child? And I care not where that child happens to live in the world today. For that reason, I ask approval of the amendment, so that it can be perfected. If the committee wishes to consider it further, to take it to conference, to work it out, that is perfectly satisfactory to the Senator from Rhode Island.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ROBERTSON. The principle is the same. I accept the amendment. I left out wheat because I feared that we would get into conflict with the provision: "interfere with or adversely affect commercial trade and sales of such commodities."

One can easily see, if we authorize sending butter overseas, that the next time a person buys some butter he can be sure he will be getting fresh butter instead of butter which is possibly 2 years old.

I do not mind putting in the butter, along with cheese or milk or anything else the U.S. Government has stored up. I accept the amendment.

Mr. PASTORE. I thank the Senator from Virginia. This is not a program for giving away the commodities irrationally. Under the law the President now can give away up to \$300 million worth. All the proposal would do is raise the ceiling.

A protective clause is provided. It is provided:

The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

All we would do is raise the ceiling from \$300 million, at the discretion of the President of the United States, at a time when in the Senate of the United States we are discussing surpluses, and how we can cut down acreage in production, when at the same time millions of people are crying out for food in other parts of the world.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The amendment may be a very advantageous one. If we go into a program of feeding refugees, as has been suggested on the floor of the Senate, it could be very advantageous. Such a resolution was submitted by the distinguished Senator from Connecticut [Mr. DONN]. The President is talking about the program, and so is the State Department. We might well need to lift this particular ceiling in the existing law.

I was very happy to join with the Senator from Rhode Island with respect to the expansion of the items in the amendment proposed by the Senator from Virginia. I say, in all due respect, that this would provide some immediate relief. I do not say that feed grains would not be

helpful. I say that they would have to be converted into usable foods.

The suggestion of the Senator from Rhode Island [Mr. PASTORE], of broadening the scope of the items which are in surplus, is a usable and helpful suggestion. I hope that the Senate will agree to the amendment. I appreciate the fact that the Senator from Virginia, with his customary generosity and compassion has accepted it.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. If the distinguished Senator from Virginia has accepted the amendment, it has become a part of his original text, has it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUSSELL. Other amendments to the amendment would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUSSELL. Mr. President, I desire to offer an amendment. After the last word in the amendment to the Robertson amendment I offer an amendment to insert "and cotton." [Laughter.]

Mr. President, I yield myself 3 minutes.

It has been proposed to fill the stomachs of naked people. If we wish to demonstrate such great generosity as we have heard poured out on the floor of the Senate, I think we should go all the way.

Mr. LAUSCHE. Mr. President, I do not understand the Senator's amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PASTORE. It is within the province of the Senator from Rhode Island to accept the amendment of the Senator from Georgia?

Mr. RUSSELL. I do not know. I hope it is.

Mr. PASTORE. If it is, I do.

Mr. LAUSCHE. Is there anything else we can give away? [Laughter.]

Mr. MUNDT. Mr. President—

Mr. COOPER. Mr. President—

Mr. LAUSCHE. Tobacco?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. LAUSCHE. Peanuts?

Mr. ELLENDER. Rice?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. RUSSELL. Mr. President, I am hopeful that the Senator from Virginia will be as generous and gracious in this respect as he was with reference to milk and butter and wheat. Certainly it would do no good to feed these people and to have them freeze, or exposed to the elements with no clothing.

Think of it. Think of the situation. We are getting ready to give away several billion dollars worth of foodstuffs of one kind and another, to feed these poor, hungry creatures, but we do not propose to do one thing on earth to remedy their nakedness, which leaves them exposed to the elements with their

arms full of food—butter, cheese, milk, wheat, bread—without clothes sufficient to cover their nakedness.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Virginia.

Mr. ROBERTSON. I was under the impression that we were not losing any money on the cotton program.

Mr. RUSSELL. We are selling cotton at 8 cents a pound below what we have invested in it today all over the world. We are selling cotton for soft currencies now, and are giving those soft currencies to the countries in which the cotton is sold.

The cotton program has not proved to be as expensive as some of the other programs, because the surplus has not been so great, but there are available in this country several million bales of cotton of a type and texture which our mills cannot spin, which could be spun in the mills in Hong Kong or in China or elsewhere, to take care of the poor people who are so destitute and distressed.

Mr. ROBERTSON. The amendment of the Senator from Virginia reads in part as follows:

The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

We could not give away cotton without violating that provision of my amendment.

The amendment was limited first to feed grains. As the distinguished Senator from Minnesota said, one has to live in the South and learn how to make cornbread in order to learn to like to eat it. All over Europe the people have never eaten cornbread, and they would not like it, but they would eat it before they would starve to death.

Mr. RUSSELL. Those people have been wearing cotton garments. They are accustomed to that.

Mr. ROBERTSON. But that involves trade. That would violate the provisions of the amendment. Originally I did not put in the wheat or butter.

Mr. RUSSELL. The Senator accepted wheat. The Senator put it in his amendment. It is now in the Robertson amendment. The Senator accepted milk, dried eggs, vegetable oils, butter, and other commodities.

Mr. ROBERTSON. But the proponent of that suggestion said that he was a humanitarian, and I could not say that I was not. [Laughter.]

Mr. RUSSELL. Mr. President, I am trying to get in on this humanitarianism.

Mr. HUMPHREY and Mr. DIRKSEN addressed the Chair.

Mr. RUSSELL. Is this a closed deal? Is there some monopoly involved, so that only the Senators from Minnesota, Rhode Island and Virginia can pose as humanitarians on this floor?

Mr. HUMPHREY. Mr. President, will the Senator yield? I think I was the first to suggest cotton. I do not wish to have the Senator leave me out. I remember the admonition in the Good

Book that we should feed the hungry, heal the sick, and clothe the naked.

Mr. RUSSELL. Mr. President, I was preparing to say that I wished to quote from the same source. The Senator from Virginia has referred to "needy people." Need is not measured by food alone. Indeed, the Good Book says that man cannot live by bread alone. We realize that man must have some clothing.

Mr. SALTONSTALL and Mr. DIRKSEN addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. We have been working on the problem of the textile mills of our area for a long time. We have been trying to build up the textile industry. If the United States should give away all of its cotton, how could we operate our textile mills?

Mr. RUSSELL. Unfortunately, there is a great deal of cotton which the mills in Massachusetts will not spin. It is of poor quality. The people of Massachusetts, of course, are "eating so high on the hog" now, under the circumstances as they exist, that they are able to buy the finer grades of cotton, the broadcloth.

Mr. SALTONSTALL. Mr. President, I agree with the Senator that there is no way of knowing the total effect of the amendment.

Mr. RUSSELL. Mr. President, I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, in relation to the question raised by the distinguished Senator from Georgia, I should like to say that on Sunday next the very distinguished Senator from Virginia [Mr. ROBERTSON] will have reached the ripe old age of 3 score and 15 years. He is in a compassionate frame of mind. Those fatherly and grandfatherly attributes of the spirit of loving kindness have developed in him, and now any other Senator who wants to be included in support of the amendment ought to ask the Senator while he is in that frame of mind.

Mr. RUSSELL. Mr. President, I have been urging the distinguished Senator to accept the amendment since we have a surplus.

Mr. DIRKSEN. He ought to.

Mr. RUSSELL. Certainly he should accept the amendment. He has accepted an amendment pertaining to butter, an amendment pertaining to cheese, an amendment pertaining to dried milk, and an amendment pertaining to wheat. Yet he has not shown any enthusiasm to accept an amendment in order that the beneficiaries of all the various foodstuffs might likewise have the hope and aspiration that every human being is entitled to have that he will own one shirt that is neither patched nor has a number of holes in it.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. PASTORE. Without trying to pry into the personal reactions of the Senator from Georgia, if the amendment is accepted as to cotton, does the Senator intend to vote for the amendment as amended?

Mr. RUSSELL. Mr. President, I think the question is entirely beside the point. It is a non sequitur. It has nothing whatever to do with the issues before the Senate. I believe that cotton is entitled to consideration. I hope the amendment will be accepted.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, is time available on the amendment?

Mr. ELLENDER. I yield to the Senator from Minnesota. I believe I have 3 minutes remaining.

Mr. HUMPHREY. Mr. President, what disturbs me about this entire question is that in this period of great suffering we are making light of an unbelievable situation in which famine stalks the land and millions of people are facing dire tragedy. Frankly, I do not like the idea of an open end amendment. I do not think it is the right way to proceed.

On July 20, 1961, we enacted Public Law 8792, which amended the Mutual Security Act. Under section 203, referring to title II of the Agricultural Trade Development and Assistance Act of 1954, which is Public Law 480, we established in section 203 a fund of \$300 million, to be made reimbursable by the Commodity Credit Corporation, for purposes of relief and assistance to needy people.

That law covers anything that the Government might have available to assist needy people. It seems to me unkind and almost immoral for us to be thinking up one commodity after another that we can include under the kind of provision proposed. If we wish to help needy people—and I think that is what we want to do—all we need to do is, first, to use section 203. I do not believe the funds available under that section are exhausted. If they are exhausted, the President can recommend an increase in the ceiling to \$350 million or \$400 million so that the Congress can initiate action on its own. Then we shall not be in the rather unsightly and, it seems to me, rather crude position of thinking about each one of our respective commodities.

Frankly, I feel that feed grains, as such, offer little or no assistance. The Senator from Georgia has every right to include cotton, because surely there is a need for clothing and raiment. The amendment offered by the Senator from Rhode Island is even more pertinent in terms of relieving human suffering.

But I suggest that there is an answer. Because of the respect the Senate should want from the people of the United States, the Senator ought to withdraw the amendment. We ought to face our responsibility; and if we need to have \$400 million as a ceiling figure under section 203, that can be provided. The American people will not let hungry people starve. We never have done so. This Nation has a record of charity, assistance, and compassion second to none.

I submit that the report given by the Senator from Kansas and others about what has been done under Public Law 480 indicates unbelievable generosity. We have never failed in our responsibilities.

I appeal to my colleague from Virginia, if he will do so, in order to simplify the situation, to withdraw his amendment. If he withdraws the amendment, I believe we can rest assured that there will be no suffering that will go unnoticed, and that the Government of the United States will fulfill its responsibilities under acts of Congress already on the statute books.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. I heartily agree with the distinguished Senator from Minnesota. I shall vote against the amendment, not because I do not want to feed the hungry people in the world, but because I have no idea what the effect of the amendment would be on our economy or what it would do in relation to other laws. While perhaps we have been a little light in some of the debate, when we vote against the amendment, we shall not be voting against assisting hungry people, but because we do not know what the effect of the amendment would be on the proposed law or any other laws on our statute books. I hope the Senator will withdraw his amendment. If he does not, I shall vote against it for the reason stated, and not because I do not want to feed hungry people.

Mr. HUMPHREY. Mr. President, it would be a great tragedy if there were a misunderstanding of the votes of the distinguished Members of this body. There is not a Senator who is without a sense of compassion.

Mr. ROBERTSON. Mr. President, the Senator from Virginia has welcomed this opportunity to renew his devotion to the fundamental principle of private enterprise, and to offer what he thought would be a small approach to the problems of our farmers in connection with one segment of that principle. Far be it from me, on the verge of being an old man, to throw this distinguished Chamber into disagreement. If it is unanimously agreed that I may withdraw the amendment—

Mr. CASE of South Dakota. Mr. President, before the Senator makes that request, will he permit me to offer an additional amendment to his amendment?

Mr. ROBERTSON. The Senator will have to be recognized.

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. An amendment is now pending.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. What amendment is pending?

The PRESIDING OFFICER. The Russell amendment.

Mr. CASE of South Dakota. Has that amendment not been accepted?

The PRESIDING OFFICER. The amendment has not been accepted.

Mr. ROBERTSON. Mr. President, I thought my amendment would serve

two purposes. First, we could save the money that we are now spending on feed grains. The farmers would have an opportunity to get out from under control. Of course, they would give up the 75 percent support provision of the law, and we would perhaps go back to below 50 percent. But farmers would have that freedom. At the same time I thought that the starving people in Hong Kong and elsewhere would rather eat cornmeal than die. It seems that my amendment has not met with universal approval. Some Senators feel that other products should be included. I ask unanimous consent that I may be permitted to withdraw the amendment.

Mr. CASE of South Dakota. Mr. President, reserving the right to object—

Mr. ROBERTSON. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment has been withdrawn by the Senator from Virginia.

Mr. CASE of South Dakota. Mr. President, who is in control of the time?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield me five minutes on the bill?

Mr. ELLENDER. I yield the Senator from South Dakota 5 minutes on the bill.

Mr. CASE of South Dakota. For the purpose of clarification, I was about to suggest an amendment to the amendment offered by the Senator from Virginia, which at the end of paragraph (C) would have added some additional directives. I think it is important to keep everything in perspective. The amendment offered by the Senator from Virginia provided, in paragraph (c), as follows:

(c) The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

Had the amendment continued to be under consideration by the Senate, I would have proposed adding:

And the President shall take such additional measures as may be necessary to prevent the commodities disposed of under this section from being sold or resold in black market operations.

As I indicated last night, I am in sympathy with the objective of making food surpluses available to the refugees from Communist China.

I have vivid memories of being in Kunming in 1945, during World War II, when Nationalist China was our ally, and when former Representative from Michigan Albert Engel went to the black market in Kunming and there found jeeps and tires of U.S. origin and manufacture being sold in the black market of Kunming.

As he ran down the matter and reported it to our subcommittee at the time, it developed that one of the principal operators in the black market was either the brother-in-law or son-in-law

of the then Governor of Yunnan Province.

I do not believe it is possible to engage in any large scale largess, such as was proposed by the amendment of the Senator from Virginia, without awakening at least the possibility that these supplies in large quantities will fall into the hands of some people who would not be above selling or reselling the goods, whether or not such sale interfered with sales in the normal commercial trade, and making a profit from the disposition of such commodities.

That is why, had the amendment remained before the Senate, I would have offered that amendment to it. I have put it in the RECORD at this time because, should any such proposal develop during the course of the further deliberations on the bill, or in consultation with the House in conference, I believe we should be very careful that large quantities of foodstuffs, made available with the best of intentions, will not be stored in warehouses or cached somewhere by someone who would use them for resale at a profit to himself in black market operations.

I am not impugning the motives of the Nationalist Chinese Government as

such. I do know that there is some cupidity among certain members of the human race, and we should guard against it if we engage in large scale largess, such as has been suggested.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment identified as "5-21-62-B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 24 beginning with line 1, strike out all through line 10, and insert in lieu thereof the following:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

On page 25, lines 3 and 4, strike out "(other than Durum wheat to which subsections (e) and (h) are applicable)".

Mr. YOUNG of North Dakota. Mr. President, my amendment merely provides for striking from the wheat certificate section of the bill the Durum program which I was successful in getting approved by Congress last year. Under this program, farmers this year have been permitted to increase their Durum wheat acreage by 40 percent.

This has been of considerable help to our producers as well as more adequately meeting consumer needs.

It is my proposal to eliminate this program because the language starting at the top of page 25 in Senate bill 3225 which I sponsored in committee also permits the Secretary to increase the allotments of any kind of wheat, the supply of which is inadequate to provide for a sufficient quantity to satisfy the demand for that type of wheat. This provision will take care of the Durum situation at least as well as the special legislation which I sponsored last year. It is my belief that having one program for the increase in production of kinds of wheat in short supply would make the overall farm program simpler and more easily administered.

On page 19 of the Senate Agriculture Committee's report on Senate bill 3225, appears a table showing the production, disappearance, and carryover of wheat by classes. I ask unanimous consent that this table appear in the RECORD as part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 12.—Wheat: Estimated supply and distribution by classes, United States, 1957-61

[In millions of bushels]

[In millions of bushels]

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957-58						
Carryover, July 1, 1957.....	648	10	196	13	42	909
Production.....	429	155	169	40	163	956
Imports ¹			11			11
Supply.....	1,077	165	376	53	205	1,876
Exports, including shipments ²	219	30	38	1	118	406
Domestic disappearance ³	245	129	135	27	53	589
Carryover, June 30, 1958.....	613	6	203	25	34	881
1958-59						
Carryover, July 1, 1958.....	613	6	203	25	34	881
Production.....	836	192	233	22	174	1,457
Imports ¹			8			8
Supply.....	1,449	198	444	47	208	2,346
Exports, including shipments ²	259	43	46	1	98	447
Domestic disappearance ³	251	134	147	27	45	604
Carryover, June 30, 1959.....	939	21	251	19	65	1,295
1959-60						
Carryover, July 1, 1959.....	939	21	251	19	65	1,295
Production.....	620	156	151	20	174	1,121
Imports ¹			7			7
Supply.....	1,559	177	409	39	239	2,423
1960-61—Continued						
Exports, including shipments ²	292	40	44	1	130	512
Domestic disappearance ³	261	127	142	24	43	597
Carryover, June 30, 1960.....	1,006	10	218	12	66	1,314
1960-61 ⁴						
Carryover, July 1, 1960.....	1,006	10	218	14	66	1,314
Production.....	794	190	188	34	151	1,357
Imports ¹			8			8
Supply.....	1,800	200	414	48	217	2,679
Exports, including shipments ²	430	55	35	6	138	664
Domestic disappearance ³	261	133	142	26	41	603
Carryover, June 30, 1961.....	1,109	12	237	16	38	1,412
1961-62 ⁴						
Carryover, July 1, 1961.....	1,109	12	237	16	38	1,412
Production.....	755	203	116	19	142	1,235
Imports ¹			8			8
Supply.....	1,864	215	361	35	180	2,655
Exports, including shipments ²	468	49	47	15	104	678
Domestic disappearance ³	253	133	139	18	44	587
Carryover, June 30, 1962.....	1,143	33	180	2	32	1,390

¹ Excludes imports for milling in bond and export as flour.

² Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.

³ Wheat for food (including military food use at home and abroad), feed, seed, and industry.

⁴ Preliminary.

⁵ Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations. Estimated stocks on farms and in interior mills,

elevators, and warehouses, by kinds, are assumed to be present in about the same proportion as produced; the classes within kinds are established on the basis of the quinquennial wheat-variety surveys. Commercial stocks and OCC inventories are reported by classes. Exports by classes are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour.

Data for 1944-56 in "The Wheat Situation," August 1959, p. 12; data for 1929-43 in "The Wheat Situation," February 1958, p. 10.

Mr. ELLENDER. Mr. President, I have consulted with my good friend, the Senator from North Dakota. There is no objection to the amendment. As I understand, he wishes to repeal the special Durum part of the provision, effective with the 1963 crop, and include Durum under the general provision for increasing allotments of kinds of wheat in short supply.

Mr. YOUNG of North Dakota. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment identified as "5-23-62-G."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35 between lines 5 and 6, insert the following:

(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Remember the remaining subsections accordingly.

Mr. YOUNG of North Dakota. Mr. President, this amendment would amend the wheat marketing certificate program to provide that during the years 1963, 1964, and 1965 the Secretary could permit acreage diverted from the production of wheat to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. Producers would not be eligible for price supports on these crops, and in no event could diversion payments be in excess of one-half of the rate which would otherwise be applicable if such acreage were devoted to conservation uses. These provisions are identical to those enacted by the Congress in Public Law 87-451, 87th Congress, which applies to the 1962 special wheat diversion program.

Mr. ELLENDER. In his amendment, does the Senator apply the same regulation that was adopted yesterday with respect to diverted acres?

Mr. YOUNG of North Dakota. That is correct.

Mr. ELLENDER. We have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. CARLSON. Mr. President, I send an amendment to the desk. I ask that the amendment be not read, but that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, between lines 17 and 18, insert the following:

"PROGRAM BEGINNING WITH 1964 CROP"

On page 24, beginning with line 20, strike out down through line 23.

On page 32, line 18, strike out "1963, 1964 and 1965" and substitute "1964, 1965, and 1966".

On page 41, strike out "1963" in lines 9 and 10, and substitute "1964".

On page 42, strike out "1963" in line 15, and substitute "1964".

On page 51, strike out "1963" in line 25, and substitute "1964".

On page 54, after line 10 insert the following:

"Program for 1963

"SEC. 326. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum."

"SEC. 327. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (1)), the following provisions shall apply to the 1963 crop of wheat:

"(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however*, That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment."

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested."

"(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage.

If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)), is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however*, That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961."

"(e) The last sentence of section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended to read as follows: ["Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing years beginning July 1, 1962, and July 1, 1963."

"SEC. 328. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary."

"SEC. 329. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

"(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided*, That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c) (3) of the Agricultural Adjustment Act of 1938, as amended."

"(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided*, That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

"(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

"(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1) (ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

"(b) (1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

"(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

"(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

"(c) (1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess

of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

"(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1) (i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1) (ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

"(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c) (3) of the Agricultural Adjustment Act of 1938, as amended;

"(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

"(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

"(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

"(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

"(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

"(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"(j) The Commodity Credit Corporation is authorized to utilize its capital funds and

other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for Durum wheat, is amended—

"(1) by striking out 'after reduction in the case of the 1962 crop as required by section 334(c) (2)' and inserting the following: 'after reduction as required by section 334(c) (2) or (3)', and

"(2) by striking out 'the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961' and inserting the following: 'the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962'.

"(1) Section 334(l) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulare area in California, is amended by inserting the following sentence immediately following the seventh sentence thereof: 'The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection'."

Mr. CARLSON. Mr. President, this is a very simple amendment, even though it contains eight pages of written language. It was prepared by the staff of the Committee on Agriculture and Forestry. Its terms are very simple. It would defer from 1963 to 1964 the effective date of the certificate program for wheat. Senators who heard me discuss the certificate plan during the debate may remember that I said I did not believe there would be enough time to have the program sold to the farmers in the time that will remain between the passage of the bill and its signing by the President on the one hand, and the wheat planting season on the other. It would be unfair to the wheat growers to try to carry out the program unless there were sufficient time.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CURTIS. I commend the Senator for offering his amendment. I shall support it.

Mr. PEARSON. Mr. President, I associate myself with the position taken by my colleague the senior Senator from Kansas [Mr. CARLSON]. The pending administration bill, incorporating in it elements of complete control and confusing terms, wide discretionary powers, and heavy penalties, submitted on an ultimatum basis, will undoubtedly pass.

The American farmers, with their technical skill and ingenuity and hard work, have produced surpluses in a world of want, and they deserve a better fate. Adjustments must be made. The Government must participate in these adjustments, for the basic fact of our times is that we are undergoing rapid and continuing change. Within the lifetime of many here, we have passed through two World Wars, the Korean conflict, the continuing cold war struggle, a world depression, and several recessions.

The communications and transportation systems have indeed made the earth one world, so that our east and west coasts conceivably join on the other side of the world.

Only yesterday we took another step into space. I think the American farmer has met the challenge, and I think the farm program, based on my conversations with farmers in my State, should be clear, understandable, and timely in its application, as this amendment would make it, and free of political pressures, as I believe this amendment would provide. I think the bill will be a failure without this amendment.

Mr. CARLSON. Mr. President, I do not wish to let the debate be closed without having the amendment made a part of the record. As I understand, it will be printed in the RECORD as offered.

The PRESIDING OFFICER. The Senator is correct.

Mr. CARLSON. I sincerely believe that if early action is not taken on the bill by the other body, and signature affixed by the President, the farmers will not receive the benefits intended by the bill. I hope the House of Representatives will give earnest consideration to my amendment. Therefore, I shall not press for action on it and will withdraw it at this time.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Kansas is withdrawn.

Mr. KEATING. Mr. President, on behalf of myself, Senator JAVITS, Senator SCOTT, Senator CASE of New Jersey, and Senator SALTONSTALL, I call up my amendment designated "5-23-62-P." I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be identified.

The LEGISLATIVE CLERK. The amendment is designated "5-23-62-P."

The PRESIDING OFFICER. Without objection, the amendment will be printed without reading.

The amendment is as follows:

On page 8, line 20, insert the following: "Sec. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race."

Mr. KEATING. Mr. President, I shall take 3 minutes in which to explain the purpose of the amendment. At the end of that time, I understand the distinguished majority leader will move to table the amendment. I shall oppose that motion.

Mr. MANSFIELD. That is correct.

Mr. KEATING. Mr. President, the amendment provides that no agreement or payment shall be made under title I of this bill unless the Secretary of Agriculture determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race.

The purpose of title I is to as allow the conversion of unneeded or uneconomic cropland to other uses, primarily

recreational. This is not only a sensible way to curb agricultural overproduction, but it would also give tremendous encouragement to the development of additional recreational facilities for our rapidly growing urban areas. This is the one part of the bill which I regard with complete favor.

It is important, however, to make certain that none of the recreational facilities developed under this new program will be operated on a discriminatory basis. It would certainly be disgraceful if this noble plan for increasing the recreational resources of our Nation were tainted by invidious racial practices.

In my opinion, there is no possible justification for permitting facilities developed with Federal assistance to be used on a Jim Crow basis. It should not make any difference whether this assistance is in the form of loans or grants. It should not make any difference whether the facilities are operated by private or public agencies. It should not make any difference whether they are managed by the Federal Government or State authorities. If Federal tax moneys are involved in their acquisition, construction, or maintenance, they should be open to all Americans without regard to race. They should be public in the true sense, a place where all Americans can take their families without any fear that they will be excluded because of the color of their skins.

These considerations are by no means confined to the recreational facilities which may be developed under title I of this farm bill. They apply with equal force to the myriad of Federal grant-in-aid programs already in existence. Could anyone conceive of the Federal Government contributing tax funds to highway construction and allowing the States to restrict the use of the highways to white citizens only. Or if a State decided that instead of barring Negro autoists entirely that they would limit them to certain lanes on the roads, could anyone understand the Federal Government going along with such a scheme?

The fact is that the Federal Government is permitting arrangements similar in principle to these examples. It is permitting grants to be made for the construction of schools which it knows will be operated on a segregated basis. It is giving millions in research funds to segregated colleges knowing that they will be used by white students and faculty only. I want to be positive that the Federal Government will not now begin to contribute money for parks which will be open only to a selected group in our population. A man's desire to fish, or picnic does not depend on the color of his skin. His desire to enjoy an outing with his wife and children does not diminish because he is Negro. This bill must not allow any action by the States which would deny equal enjoyment of these recreational facilities by all of its inhabitants.

In my view, the bill cannot be construed even without this amendment to permit any assistance in any form to any person or agency except on condition that any recreational facilities developed be open to all without discrimination.

The Constitution is part of every one of our enactments. Its letter and spirit control every statute we pass. Its commands cannot be ignored by officials in the executive department sworn to uphold the law just because the particular statute they administer does not reiterate all the controlling constitutional limitations on their actions. This statute is silent on the particular issue I am raising. But this is an eloquent silence and any gap it may appear to create is filled by the provisions of the constitutional vouchsafing the equal protection of the law to all Americans.

The legislative history on this point has been illuminating. During the debate on Monday, the Senator from Mississippi [Mr. EASTLAND] questioned the Senator from Vermont [Mr. AIKEN] on whether the facilities to be financed under this bill would be public facilities. When assured that they would be, Senator EASTLAND stated:

That means integrated recreational facilities, does it not?

The Senator from Vermont replied:

They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved. I do not think it would be in conformity with the Constitution to do otherwise.

On Tuesday, the Senator from Mississippi again brought up this question during the speech of the Senator from Florida [Mr. HOLLAND]. On that occasion he posed this query:

Is it not true that, under the interpretation which the Supreme Court places on the Constitution, these recreational facilities will be racially integrated facilities?

Senator HOLLAND replied:

The Senator from Florida so believes and would have no hesitancy in saying that is the case.

Whatever the purpose of the Senator from Mississippi may have been in asking these questions, he has succeeded in providing a clear legislative intent that no funds or other assistance can be provided under title I of this bill unless assurances are given that the facilities provided thereunder will be available on a nondiscriminatory basis.

Unfortunately, what is lacking is assurance that this legislative intent will be followed by the executive department. My apprehension in this regard is not merely speculative.

During the discussion of the Thurmond amendment, it was indicated by me that the legislative history of this measure made it clear that under title I, providing for recreational facilities, Federal funds could not be used to promote segregated facilities. Out of an abundance of caution, one of the staff called the General Counsel of the Department of Agriculture for his opinion. I have now been advised that it is the opinion of the General Counsel that the bill and the acts which it amends do not authorize or direct public recreational facilities developed with Federal assistance to be operated on an integrated basis. I have wired the Secretary of Agriculture, expressing surprise

and disappointment at that ruling, and asking for a formal ruling. In my wire I said:

Have just been advised that the General Counsel of the Department of Agriculture has expressed the opinion that title I recreational facilities could be operated on a segregated basis. I cannot believe that this represents the position of the Department. The General Counsel's opinion is directly in conflict with the legislative history in the Senate which establishes the intent of the Senate that all such facilities be open without racial discrimination and flouts controlling constitutional principles. Would appreciate an immediate reply from you on the position of the Department of Agriculture.

I have not yet received any reply to this wire.

As I have indicated, there are a number of Federal grant-in-aid programs under which funds are granted without any consideration of whether the programs will be administered with due regard for constitutional limitations. The situation actually has reached the stage in which the Department of Justice has instituted or intervened in litigation after the fact in an attempt to undo discriminatory practices fostered with Government assistance. It has done this in connection with hospitals constructed under the Hill-Burton Act and in connection with schools constructed under the so-called impacted areas program.

It would certainly be more sensible for the Federal Government to take some preventive action under these programs rather than trying to undo in lengthy, costly and burdensome litigation something which could be avoided in the first place. The spectacle of one Government department bringing suit because of the activities of another Federal department reveals an abysmal lack of coordination or an incredible lack of unity of objectives. This conflict between the Departments could be straightened out by an Executive order which would require all the agencies of the Federal Government to insist upon a uniform policy of non-discrimination under Federal grant programs. If the Senator from Mississippi concedes that such a policy is required by the Supreme Court's interpretation of the Constitution, why should any Federal agency be hesitant to accept this principle?

On Wednesday the House Labor and Education Committee reported legislation which would deny Federal aid to racially segregated schools under the impacted area program. It also reported a bill which would cut off Federal funds to land-grant colleges still practicing segregation. These measures should not be necessary. Their objectives can be fully accomplished by Executive action. The testimony before the House committee by administration officials, however, left little doubt that no such administrative action would be forthcoming. The committee, apparently without dissent, therefore recommended that these specific anti-discrimination provisions be written into the pertinent statutes.

We are faced with much the same situation here. This amendment should

not be necessary. The Constitution already requires what the amendment would require. The Constitution is not ambiguous or uncertain, but the officials administering these programs do not choose to give it full application. In the absence of assurance from the Department that it will administer this program in a nondiscriminatory manner, the only safe course is to write this amendment into the law.

Mr. President, I reserve the remainder of my time.

Mr. MANSFIELD. Mr. President, I move to table the amendment offered by the Senator from New York.

Mr. KEATING. Mr. President, on that motion, I ask for the yeas and nays. The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to table the amendment offered by the Senator from New York [Mr. KEATING] for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Mississippi would vote "yea."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Wyoming would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Virginia would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Wyoming [Mr. HICKEY] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Wisconsin would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Iowa would vote "nay."

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG] and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

The Senator from New York [Mr. JAVITS] is detained on official business.

On this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New York would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from California would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. HICKEY]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 43, nays 40, as follows:

[No. 64 Leg.]

YEAS—43

Anderson	Humphrey	Pastore
Bartlett	Jackson	Pell
Bible	Jordan	Randolph
Burdick	Kefauver	Robertson
Byrd, W. Va.	Kerr	Russell
Cannon	Long, Hawaii	Smathers
Church	Mansfield	Smith, Mass.
Eastland	McCarthy	Sparkman
Ellender	McClellan	Talmadge
Engle	McNamara	Thurmond
Ervin	Metcalf	Yarborough
Hartke	Monroney	Young, N. Dak.
Hayden	Moss	Young, Ohio
Hill	Muskie	
Holland	Neuberger	

NAYS—40

Aiken	Curtis	Mundt
Allott	Dirksen	Murphy
Beall	Dodd	Pearson
Bennett	Douglas	Prouty
Boggs	Dworshak	Proxmire
Bush	Fong	Saltonstall
Butler	Goldwater	Scott
Capehart	Hart	Smith, Maine
Carlson	Hickenlooper	Symington
Case, N.J.	Hruska	Tower
Case, S. Dak.	Keating	Williams, N.J.
Clark	Lausche	Williams, Del.
Cooper	Morse	
Cotton	Morton	

NOT VOTING—17

Byrd, Va.	Hickey	Magnuson
Carroll	Javits	McGee
Chavez	Johnston	Miller
Fulbright	Kuchel	Stennis
Gore	Long, Mo.	Wiley
Gruening	Long, La.	

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, on behalf of the Senator from Arkansas [Mr. FULBRIGHT], who is necessarily absent, I submit an amendment which will clarify part of the bill; the amendment will permit fish farmers to be able to borrow money under the Consolidated Farmers Home Administration Act of 1961. I have no objection to the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 66, in line 20, it is proposed to strike out the word "and".

On page 66, in line 23, it is proposed to strike out the period, and to insert in lieu thereof a semicolon and the word "and".

On page 66, between lines 23 and 24, it is proposed to insert the following:

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MUNDT. Mr. President, I call up my amendment of one word.

The PRESIDING OFFICER. The amendment of the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 23, at the end of line 20 of the so-called feed grain amendment by Mr. ELLENDER previously agreed to, to insert "including provision for the control of erosion."

Mr. MUNDT. Mr. President, if I may have the attention of the chairman, I wish to say that I have discussed this amendment with him. I believe it is acceptable.

For the information of the Senate, I point out that the Secretary is empowered to have certain care provided on diverted acres. The section now provides that a person who owns the property and receives a benefit for diverted acres must follow certain measures to keep the land free from insects, weeds, and rodents.

I propose to include provision for the control of erosion, because in many areas of the country, both from water and wind erosion, land which is in the open will blow away and be rapidly eroded. I believe the chairman of the committee has no objection to the amendment.

Mr. ELLENDER. I have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the amendment? Without objection, the amendment is agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment identified as "5-24-62-D," as modified.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed on page 69, after line 16, to insert the following:

SEC. 405. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended. Congress hereby reconfirms its longstanding policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extend practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

Mr. HUMPHREY. Mr. President, I have discussed this amendment with the chairman of the committee. The purpose of it is to remind the Commodity Credit Corporation that in this country we have private facilities and farmer-owned facilities that ought to be utilized in marketing and in transactions relating to agricultural commodities. It is an admonition to the Department, and I believe it is very much needed.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MUNDT. May I say that the amendment proposed by the Senator from Minnesota reaffirms and reexpresses a policy which this body has expressed previously as an amendment to the Agricultural Appropriation Act, which carries this same admonition.

Mr. HUMPHREY. That is exactly correct. This establishes it in the authorization legislation.

By the way, Mr. President, the junior Senator from Minnesota [Mr. McCARTHY] also joins me in the amendment as a cosponsor.

Mr. ELLENDER. Mr. President, I have discussed this amendment with the Senator from Minnesota. There is no objection to it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment identified as "5-21-62-F," and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, at the proper place in the bill, to insert a new section as follows:

SEC. . It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines

such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of cooperative associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

Mr. HUMPHREY. Mr. President, this amendment has been discussed fully with the chairman of the committee, the Senator from Vermont [Mr. Aiken], and other Senators. I believe it has met with approval.

Mr. ELLENDER. I have no objection. However, this does not mean that the associations mentioned in the amendment will receive preferential treatment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, just for the purposes of a very brief discussion, I call up my amendments identified as "5-21-62-H." I do so not with the intention of pressing the amendment, but merely for a word on it.

The PRESIDING OFFICER. The amendments of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 66, between lines 17 and 18, to insert the following:

(3) By striking out in section 308 the figure "\$150,000,000" and inserting in lieu thereof the figure "\$300,000,000".

On page 66, line 18, strike out "(3)" and insert in lieu thereof "(4)".

On page 66, line 21, strike out "(4)" and insert in lieu thereof "(5)".

Mr. HUMPHREY. Mr. President, I discussed this amendment with both the chairman of the committee and the chairman of the Subcommittee on Farm Credit, the Senator from Florida [Mr. HOLLAND].

This is an amendment to the Farmers Home Administration Act. It would double the amount of insured loans. The provision of the Farmers Home Administration Act which provides moneys for regular farm operations is known as the insured loan program. The present authorization is \$150 million.

It does not require Treasury appropriations; it requires, however, commitment by the Government in terms of insurance on loans, the same as we have in the housing administration known as the FHA.

The Senator from Florida [Mr. HOLLAND], in discussing this matter with me, suggested that it go through the regular processes of committee discussions and meeting. With that suggestion I have sympathy and understanding. I merely make this statement. At a later time I hope the Department of Agriculture will look into this matter, because I understand the amount of insured loans has been utilized up to the full authorization.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I have stated to the Senator from Minnesota that I certainly have no hostility to his amendment, but I thought having it adopted when it has not been discussed by the committee, considering what is involved, would be

a mistake in procedure, and I would not give approval to it. It has not been discussed by our subcommittee or the full committee. I would be glad to give speedy hearings on any proposal. As the Senator knows, I have agreed on two or three occasions, and the committee has agreed unanimously, to liberalization of the Farmers Home program. I hope the Senator will withdraw his amendment and proceed in the regular way, as I have suggested and as he has suggested.

Mr. HUMPHREY. I want to call to the attention of the chairman of the committee that I had intended to propose an amendment to section 102 of title I of the bill that would make sure the Department of Agriculture, under its land use program, particularly land used for conservation and recreation purposes would not engage in either development of industrial enterprises on that land or development of what we call industrial parks. We have the Small Business Administration and the Area Redevelopment Administration for those activities.

I wanted to make sure that the Secretary of Agriculture did not get into the industrial activities of these other two agencies, where there is broader supervision and evaluation.

In other words, I do not want to see a land-use program developed as a way and a means of enticing, if I may use that word, industrial enterprises from other areas, at the expense of the Department of Agriculture or of the taxpayers. We have industrial loan programs and redevelopment programs under the Area Redevelopment Administration and the Small Business Administration. Let us keep those activities there.

May I ask the chairman a question? As he understands title I, is it to be interpreted so that the SBA and the ARA will undertake whatever industrial development purposes there may be for commercial use, and that the Department of Agriculture will limit its activities to rural renewal other than industrial, land use, land utilization, conservation, wildlife, and recreation?

Mr. ELLENDER. Yes. I want to say also, as the Senator knows, that on this feature of the measure, the matter is left entirely in the hands of local agencies.

Mr. HUMPHREY. Yes. I correctly understand, in other words, that the interpretation of section 102 is to assist local public authorities in providing rural renewal other than industrial, recreation, conservation, and protection of fish and wildlife, rather than the Department of Agriculture engaging in industrial activities.

Mr. ELLENDER. The Department of Agriculture would not engage in any projects under section 102. It would provide loans to State and local public bodies to assist them in carrying out land utilization projects for any purpose within the terms of the bill.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HOLLAND. It is true, however, under the provisions of the bill, that loans up to \$60,000 to an individual

farmer can be made for those same purposes.

Mr. ELLENDER. Yes.

Mr. HOLLAND. And loans up to \$500,000 can be made to an association of farmers for the same purposes.

Mr. HUMPHREY. For recreation and conservation.

Mr. ELLENDER. That is, to an individual association.

Mr. HUMPHREY. But not for industrial development.

Mr. HOLLAND. No.

Mr. HUMPHREY. I wished to make sure we would not put into the bill any industrial loan authority identical to that of the Small Business Administration and the Area Redevelopment Administration.

I note my friend from Ohio [Mr. LAUSCHE] is looking at me, no doubt wondering, "Why is the Senator from Minnesota so concerned about that?"

The reason is, I say quite frankly, there is a tendency for duplication when the loan programs are authorized. I wished to be sure that we would not set up another loan program for industrial purposes under the Department of Agriculture. For rural renewal, conservation, for recreation, and for the other purposes outlined in the proposed legislation, I am fully in accord with the proposal.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. The position of the Senator from Louisiana is that the authority granted under the terms of the bill would cover those items enumerated in the bill. The Senator from Louisiana would not take the position that under the authority given to the Secretary of Agriculture, the loans to be authorized could not be administered by the FHA or other agencies in existence.

Mr. ELLENDER. They are to be administered by those making the loans.

Mr. LAUSCHE. That is, by the Secretary of Agriculture?

Mr. ELLENDER. Yes, through the FHA.

Mr. CURTIS. Mr. President, I call up my amendment designated "5-24-62-B" and ask to have it stated.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Minnesota withdraw his amendment?

Mr. HUMPHREY. Yes, Mr. President, I withdraw my amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that the amendment may be printed in the RECORD without being read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 75, after line 15, insert the following:

"(g) Enter into contracts with persons, corporations, and associations under which the agency shall agree (1) to sell grains owned by the Commodity Credit Corporation for use in the manufacturing or processing of commercial products, other than products intended for human or animal consumption, at such prices the agency deems appro-

priate, without regard to the restrictions contained in section 407 of the Agricultural Act of 1949, as amended, and (2) to deliver such grains over such periods, not to exceed five years, as may be necessary to assure the purchasers of a continuing supply of such commodities;"

Reletter the subsequent paragraphs of the section.

Mr. CURTIS. Mr. President, the debate in the last few days has proved the futility of attempting to control agricultural production. It has also revealed how costly the program is to the Treasury and how unsatisfactory it is to the American farmers.

The one hope of avoiding the agricultural problem is to find greater uses for the production of our farms. I refer to greater uses in the United States. Because of the marvelous accomplishments of chemistry, practically all the industrial needs of the country can, if necessary, be provided from farm crops, from the things raised on farms.

The surpluses can be turned into useful purposes, and we could have an economy in which the farmers could sell all they raised. Even though it might be accompanied by a price support program, we would at least have an outlet for our surpluses.

I commend the committee for including title V in the bill. I call attention, however, to a marked deficiency in it. Under title V surplus commodities held by the Commodity Credit Corporation may be turned over to laboratories, to universities, to research organizations and the like without charge in order to find new uses for our surpluses.

The amendment I have offered would permit the Commodity Credit Corporation to sell at a price below the support price, surplus crops to a manufacturer who would use them for purposes other than for animal or human consumption. This would encourage new industries. It would dispose of some of our surpluses. It would lessen the cost of storage.

I regret that such a program has not been underway for a long time. It was recommended by the Welsh Commission almost 4 years ago. It has had rather the steady opposition of the Department of Agriculture ever since that time.

Mr. President, I shall not insist on my amendment at this time. After a conference with the chairman of the Committee on Agriculture and Forestry, I decided not to do so. I did wish to make this short statement. I hope the course I have proposed can be pursued before long.

I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment which I have at the desk, identified as "5-23-62-C," and I ask that it be stated as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 42, line 24, after the word "thereof" it is proposed to insert "for dollars."

On page 46, line 20, after the word "wheat" it is proposed to insert "for dollars."

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 5 minutes.

As introduced, S. 3225 proposes to treat domestic human consumption and all exports—including the disposal of surpluses through donations and foreign currency sales—as primary uses of wheat. The purpose of this amendment is to provide that the allocation of wheat marketing certificates shall be used on domestic human consumption and commercial exports for dollars.

One of the claimed objectives of those who support S. 3225 is the reduction of Government costs.

Wheat export programs are the most costly single item in the entire farm program. Treating surplus disposals as a primary use of wheat under the proposed certificate plan would cost taxpayers hundreds of millions of dollars per year. It would mean that the Government would be forced to pay up to 90 percent of parity—currently \$2.19 per bushel—for wheat moved abroad under surplus disposal programs, even though noncertificated wheat of the same quality were freely available in domestic markets at a price based on its value as livestock feed.

Such a requirement is indefensible. Under the proposed amendments wheat donated to foreign countries, sold for foreign currencies, or otherwise exported under Government-financed disposal programs would be treated as secondary-use wheat. Thus, it could be purchased in the open market from farmers who are willing to grow wheat for disposal in the export market on the same basis that noncertificate wheat is to be produced for seed and livestock feed. The result would be a substantial saving in export program costs.

In the 1960-61 marketing year wheat exports totaled 662 million bushels. Of this total 458 million bushels were exported under various Government programs and only 204 million bushels were exported for cash. The 204 million bushels exported for cash were, of course, subsidized to bridge the gap between domestic and world prices.

Under the bill the support level for certificate wheat could be as high as \$2.19 per bushel. The support price for noncertificate wheat would be related to corn; however, it has been suggested that this would result in a support price of \$1.40 per bushel. On the basis of these figures and assuming annual exports of 450 million bushels, under surplus disposal programs, the above amendments could save the Federal Treasury 79 cents per bushel, or \$365 million per year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a report showing financing of wheat and flour exports, 1960-61.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

*Financing of wheat and flour exports,
1960-61¹*

[In millions of bushels]

Title I, Public Law 480: Foreign currency sales.....	327.2
Title II, Public Law 480: Famine relief.....	30.5

Footnotes at end of table.

*Financing of wheat and flour exports,
1960-61¹—Continued*

[In millions of bushels]

Title III, Public Law 480: Barter.....	34.1
Sec. 402 (Mutual Security Act).....	35.6
Sec. 416 (Agricultural Act of 1949 and title III, Public Law 480): Donations.....	30.4
Total programs ²	457.7
Cash sales.....	204.5
Total exports.....	662.2

¹ Adapted from "U.S. Grain Exports Under Government Programs, 1960-61," FAS-M 127, Foreign Agricultural Service, U.S. Department of Agriculture, February 1962.

² Individual items do not add to total because of rounding.

EXPLANATORY NOTES

Title I, Public Law 480: Agricultural Trade Development and Assistance Act of 1954. These sales are made pursuant to formal government-to-government agreements with friendly countries. Actual sales are made from commercial stocks through private U.S. exporters. The Commodity Credit Corporation finances the dollar payment to exporters and the importing country deposits the dollar equivalent in its currency to the U.S. account.

Title II, Public Law 480: These exports consist of government-to-government donations of Commodity Credit Corporation-owned commodities for emergency and work relief uses by the recipient government. No payment is required.

Barter, title III, Public Law 480: Barter contracts with private U.S. firms are entered into by Commodity Credit Corporation which provide for exchange of Commodity Credit Corporation-owned agricultural commodities for strategic and other materials.

Section 402, Public Law 665 (Mutual Security Act): These exports are paid for with the currency of the recipient country under varying terms and conditions. However, in contrast to currencies accruing under title I of Public Law 480, these currencies are almost entirely restricted to AID (mutual security) economic development and technical assistance uses.

Section 416 of the Agricultural Act of 1949 and title III, Public Law 480: These exports are made up of donations to the needy of foreign countries through private U.S. relief and charity agencies. Commodities donated, excluding processed products, come primarily from Commodity Credit Corporation stocks.

Dollar sales: [Cash] exports consist of total exports less the total of shipments made under Government programs each year. This is the amount not financed by Government programs and therefore is the quantity exported for "cash," or "dollars." Dollar sales are made without need for assistance other than the payment-in-kind program, which is designed to bridge the gap between domestic and world prices.

Mr. WILLIAMS of Delaware. Mr. President, under the proposed bill a higher support price would be paid on all of that portion of wheat which is allocated for human consumption as well as that which is exported. Under the bill "exports" would include not only the wheat which is sold for dollars, but also that which is given away or sold for foreign currencies. The amendment would separate those exports with respect to which we are giving away or selling for foreign currencies, the payment for none of which will ever come back to this country. It would allow the incentive payments only on that

portion of our exports which are sold for dollars and used for human consumption in the United States.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Kansas.

Mr. CARLSON. I may not understand correctly the amendment offered, but if I correctly understand it, and if my interpretation is correct, it seems to me that if the amendment is agreed to it would completely destroy the certificate plan for wheat.

I sincerely hope that that is the case, and that the amendment will not be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, the amendment would not destroy the certificate plan for wheat of the type that is used for human consumption or exported for dollars. It would change the certificate plan for wheat which is given away or sold for foreign currencies. It would put that wheat in the same category as commercial feed wheat. If the amendment were agreed to the savings would be about \$375 million a year.

At a time when our budget is unbalanced, at a time when we shall have to increase taxes or increase the ceiling on the national debt, it is time that someone began to think about how much the program will cost. The argument that this proposed program as it is now before the Senate will save the taxpayers money is utterly ridiculous. If we continue to save the taxpayers' money as is proposed in the administration's bill we shall save ourselves into bankruptcy in 2 years. The cost of this bill will be even more fantastic than the cost of the existing law.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. The so-called gold-balance problem is far from solved in the international system of balances. The amendment at least looks in the direction of solving, in part at least, the difficulties we are encountering.

Mr. WILLIAMS of Delaware. I thank the Senator. He is unquestionably correct. The argument that the bill would save money cannot be substantiated based upon the projected cost. It is foolish to talk about how much this bill would save. It will save nothing. Furthermore, this bill would put the farmer in a straitjacket of controls. He would have to get permission from some bureaucrat in Washington before he could even plant his corn.

I think it is time that we put some commonsense into our farm program.

Mr. ELLENDER. Mr. President, I am opposed to the amendment for the simple reason that it would greatly decrease the income of the farmer. The amendment would exclude, as the Senator from Delaware has said, exports, other than commercial exports for dollars, from the wheat marketing certificate plan. In other words, last year the total amount of wheat exported was 630,825,000 bushels. The dollar sales amounted to only 218,374,000 bushels. So that what was handled through

Government programs amounted to 412,451,000 bushels. It can readily be seen that the farmers' income would be decreased, and the farmer would carry the brunt of the cost of the Public Law 480 program. I am certain no one wants to do that. When the Secretary of Agriculture was before the Committee, he said that with a billion bushels quota, probably about 920 to 925 million bushels would be certificated, so that the farmer would receive a price ranging from \$1.90 to \$2. If the amendment should be agreed to, the portion of wheat shipped abroad under Public Law 480 would not be certificated. Therefore, the farmer would lose on the bushelage that would be shipped under Public Law 480 around 60 to 62 cents a bushel. I am certainly opposed to the amendment. I hope that the Senate will vote it down.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I oppose the amendment. The amendment would ruin the wheat certificate plan. I have been for a two-price system, but we would have to have a complete substitute if the pending amendment were adopted. To impose a strict control in wheat production, which the bill would do, and to lower the income that farmers would receive would result in putting the farmer in an economic straitjacket. If one does not believe in price supports, that is the way to kill the program. If one believes in price supports at all, he will vote to reject the amendment.

The PRESIDING OFFICER. Do the Senators in control of the time wish to yield back the remainder of the time?

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware [Mr. WILLIAMS], as modified.

The amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I yield 3 minutes on the bill to the distinguished Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the following statement has been received on the wire service in the lobby of the Senate:

NEW YORK.—An avalanche of selling hit stocks broadside today sending the popular averages for a nosedive in some of the heaviest trading of the year.

The selloff came in the wake of 4 successive days of decline and continues to stump most Wall Street experts. Many observers call the selling purely "emotional" and note that it comes in the face of bright business and economic news, a new space success and a Presidential pep talk for investors.

By 2 p.m. the Dow-Jones industrial averages slumped 11.22 reflecting drops of 2 or more in Eastman Kodak, General Foods, United States Steel, International Nickel, American Telephone, and Du Pont, and at least 1 in Anaconda, American Tobacco, General Electric, Procter & Gamble, and Woolworth.

Trading through the fourth hour piled up a total of 3,800,000 shares as heavy selling repeatedly sent high-speed tickers behind floor transactions. This compared with 3,620,000 on Thursday.

Mr. President, I wish to go on record as saying that I believe the fundamental weakness shown in the stock market today is due to two factors: First, deficit spending by the Government, and second, the threat of and the policy of supply management coming from the bureaus in Washington.

One of the reasons why I shall vote against the bill is that I believe the theory of supply management, which cannot be accomplished at a bureaucratic desk in Washington if we would preserve the free enterprise system, would be carried into the field of agriculture. I believe the statement I read is further evidence of the fear that is developing in the country.

What causes the country to fear today is apprehension with respect to the seeking of inordinate power by the Executive in the White House, either in himself or through his appointees, to regulate the economy—prices, wages, or materials.

From the committee investigating stockpiling we have recently had circulated to the members of the committee—and I understand it has been given out to the press—a bill which would propose to give to the President the power to dispose of so-called surplus stocks of raw materials at prices that he might determine.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, I ask for 1 additional minute.

Mr. DIRKSEN. Mr. President, I yield for an additional minute to the Senator from South Dakota.

Mr. CASE of South Dakota. During the hearings on copper the other day I asked the representative of Calumet and Hecla what would happen if the so-called surplus of copper, 142,000 tons, were put on the market by the President at prices that he might determine. The answer was that the result could be a disaster in the copper industry.

I wish to go on record as saying that the philosophy of supply management, applied to agriculture, applied to raw materials, and applied to the surplus in the stockpile, is threatening the country today; and, more than any other thing, coupled with the executive action that has been taken, it is responsible for the fear that is sending the stock market down day after day under present circumstances.

Mr. DIRKSEN. Mr. President, I yield 3 minutes on the bill to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I rise to support the statement made by the distinguished Senator from South Dakota. Of course this is no place to analyze the stock market. On the other hand, there has been great apprehension, as we have watched the stock market continue to decline. Over the years it has been somewhat of an indicator of the state of confidence in the business world.

I agree with the Senator from South Dakota that the recent action of the stock market and the recent attitude in the whole financial and business world reflect a lack of confidence. More than that, they reflect a very serious degree of apprehension. It is apprehension, as the Senator has said, not only in respect of the administration's attitude toward business—despite all the assertions that they have made that they are friendly toward business, because their actions do not support their assertions—but also a growing apprehension about the way our Government is being conducted, about the fiscal affairs of our Government, and about the willingness of the administration to accept deficit after deficit, although in the campaign of 1960 we were promised a balanced budget.

Businessmen are apprehensive about it because they know it is affecting the credit of the Government of the United States, upon which depends the security of the whole free world.

I congratulate the Senator from South Dakota for bringing this matter to the attention of the Senate. I earnestly hope, not for political reasons or any reasons except the good of our country, that this attitude of the administration may change, and change very soon, and that they will stop making requests for more and more power in the executive branch of the Government, which can be used—and I think is intended to be used—to increase deficits through unnecessary Government spending.

If we cannot balance our budget in a period of the highest gross national product and when we are enjoying the highest gross national income, when will we ever do it? The situation is serious. I am glad the Senator from South Dakota has brought it to the attention of the Senate.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Connecticut and the Senator from South Dakota in calling attention to the dangers which confront our country, resulting from the concentration of power at the national level. This administration is continuously demanding more and more power over American industry and American agriculture. We have a typical example in the pending bill, under the provisions of which even a man who owned his own farm could not grow products on his farm with which to feed his own livestock, but instead, he will be forced to go out and buy them. Another example was the attempt of the President to manage prices and wages in the steel industry and in other industries.

The greatest contribution this administration could make toward the recovery of business would be to promote some degree of fiscal sanity at the national level. It is difficult for the administration to tell business how to run its affairs when it is making such a miserable job of managing its own affairs at the national level.

Had the leaders of this administration actually been trying to promote a serious depression they could not have done a better job than that which is being accomplished as the result of their insistence upon an overconcentration of power at the national level and a continuation of irresponsible deficit spending.

I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. PELL in the chair). The Senator will state it.

Mr. MANSFIELD. Is an amendment before the Senate at the present time?

The PRESIDING OFFICER. No.

Mr. HART. Mr. President, I call up my amendment identified as "5-15-62—B."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 69, between lines 11 and 12, insert the following:

SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (1) thereof and inserting in lieu thereof the following: "Provided, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

On page 69, line 12, strike out "SEC. 404" and insert "SEC. 405".

Mr. HART. Mr. President, very briefly, the amendment would extend to the Federal marketing orders on cherries authorization, when the members of the affected commodity group so declare, to expend the sum of money accumulated under the order for advertising.

A year ago Congress added cherries as an item on which marketing agreements could be established. The agreement, as we recall, requires two-thirds of those producing cherries to agree and, as I recall, 50 percent of the volume of the processors also. The orders do not authorize the extension of authority to expend funds for advertising purposes. The cherry producers of this country feel strongly that we ought to determine whether this extension of use might effectively promote worldwide distribution of American cherries.

I hope the Senate will vote to add this amendment to the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. HOLLAND. Last year this question arose, and I recommended to the committee the granting of this extension, and it was voted in the Senate. However, it was lost in conference.

Mr. HART. The Senator from Florida is correct.

Mr. HOLLAND. There is real opposition to including this provision in marketing-agreement legislation generally for all products. However, here is a relatively small product, for which it is desired to have the same advantage that citrus growers have in Florida, Califor-

nia, and Texas by State law, and that peaches for canning have in California under either State law or State marketing agreements, for which commodities it has been possible to raise substantial advertising funds, greatly bettering their situation.

I cannot speak for the distinguished Senator from South Carolina, who is the chairman of the subcommittee that would handle this subject. I am a member of that subcommittee. I hope that our distinguished chairman will take this amendment to conference, again, because two-thirds of the growers would have to agree and a majority of the processors would have to agree to allow the setting up of the requisite machinery. These people feel they are being hurt by their inability to advertise and to promote their product. They want an opportunity to try it, provided they can get the required unanimity within the industry.

It is not as simple a matter as it would be if it applied to one State. Several States are involved, and therefore they would have to rely upon permissive legislation on the Federal level. For these reasons, I hope the chairman will take the amendment to conference.

Mr. ELLENDER. Mr. President, this question was under consideration last year. The Senate acted on it. It was eliminated in conference. I am willing to take the amendment to conference again, to see what can be done about it.

Mr. HART. I thank the distinguished chairman and the Senator from Florida.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. MONRONEY. Mr. President, I desire to call up my amendment, which is at the clerk's desk.

In view of the fact that my amendment makes a slight modification and I think improvement in the amendment offered by the Senator from Mississippi [Mr. EASTLAND], identified as "5-22-62—C," which was voted upon yesterday, I believe we can save the time of the Senate if the amendment is not read at this time, but printed in the RECORD. I can explain it very briefly.

My amendment, technically, is no longer an amendment to the Ellender amendment, but is an amendment to the bill. Secondly, my amendment is a temporary exemption of farmer-raised grain which is fed on the farm, being limited to a 2-year period. Otherwise, the amendment is the same in language and the same in purpose as the Eastland amendment, which was defeated yesterday by a relatively close vote.

I therefore ask unanimous consent that reading of the amendment be dispensed with.

Mr. MANSFIELD. Mr. President, I object. I should like to hear the amendment read, so that we may understand it more fully.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, line 11, it is proposed to strike out "small

farm exemption" and insert in lieu thereof "exemptions".

On page 12, line 12, insert "(1)" immediately after "Sec. 360f."

On page 13, between lines 3 and 4, insert the following:

(2) For a period of two years after the effective date of this act, notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:

(A) that none of such crop of feed grains is removed from such farm;

(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and

(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph.

On page 19, line 15, strike out the period after the word "section", insert in lieu thereof a comma and the following: "or (iii) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Mr. MANSFIELD. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Is this the same amendment, in large part, as the amendment which was offered yesterday by the Senator from Mississippi [Mr. EASTLAND] to the Ellender amendment?

Mr. MONRONEY. It is, with one major substantive distinction. The exemption proposed in the Eastland amendment would have been permanent legislation, applying for the full duration of the proposed agricultural act which the Senate is now considering. My amendment would limit the exemption to 2 years.

Furthermore, as the majority leader will have noticed, my amendment is not an amendment to the Ellender amendment; it is an amendment to the bill now before the Senate, the Ellender amendment having already been adopted. Therefore, my amendment appears in a different relationship, from a parliamentary standpoint, and also differs in its provisions. I believe it fully complies with the requirement for a ma-

for change in an amendment and is therefore eligible for submission and consideration.

Mr. MANSFIELD. Mr. President, there is no question about what the distinguished Senator from Oklahoma has said. The only real change in the amendment is that instead of the permanency which the Eastland amendment required, the Monroney amendment, which is now being considered, provides a 2-year limitation.

Is it not true that yesterday, when the proposal was defeated, a motion was made to reconsider, which was followed by a motion to table the motion to reconsider, and that the motion to table was agreed to?

Mr. MONRONEY. The Senator is absolutely correct.

Mr. MANSFIELD. Mr. President, will the Senator from Oklahoma yield to me, so that I may ask a question of the distinguished chairman of the committee?

Mr. MONRONEY. I yield.

Mr. MANSFIELD. Can the Senator from Louisiana tell us what effect the adoption of the Eastland-Monroney amendment would have upon the farm bill now being considered by the Senate, the debate on which is possibly nearing conclusion?

Mr. ELLENDER. The effect would be the same as I stated when I discussed the Eastland amendment, which was before the Senate yesterday; that is, that it would destroy the bill, in my judgment.

What we are seeking to do is to reduce, as soon as possible, the surpluses of corn and other feed grains. We had hoped that that might be done within the next 2 or 3 years. If farmers are permitted to continue to plant all they desire to plant, so long as the crop is fed on the farm, it can readily be seen that there may be an increase in the surpluses.

Mr. MANSFIELD. Does the bill provide exemptions?

Mr. ELLENDER. Yes, exemptions are provided in the bill. The bill provides for a small-farm exemption. I believe, as I stated during the debate on the Eastland amendment, that there is a small-farm exemption of 25 acres, or the acreage planted during the base period, whichever is less, and on those exempt acres the farmer could plant any kind of grain he desired to plant, whether it be corn, barley, or anything else. There is also a total exemption for oats and rye, as well.

There is a further provision in the bill which grants the Secretary of Agriculture the authority to deal with conditions in areas where there are shortages of feed and that also helps to make certain that the farmer who grows his own feed is well protected. In my judgment, these exemptions, the silage exemption, and the other provisions of the bill provide adequate protection.

I hope the amendment of the Senator from Oklahoma will be defeated.

Mr. MANSFIELD. Mr. President, I hope the Senate will uphold the hand of the chairman of the committee and will uphold its decision of yesterday.

I move that the Monroney amendment be tabled. On my motion, I ask for the yeas and nays.

Mr. MONRONEY. Mr. President, will the Senator from Montana withhold his motion so as to give me an opportunity to explain the amendment?

Mr. MANSFIELD. Certainly. Mr. President, I withhold my motion.

Mr. MONRONEY. I yielded to the Senator from Montana in order to enable him to obtain the benefit of the comments of the distinguished chairman of the committee. I, too, would like to have the yeas and nays on the motion to table.

I have no objection to the parliamentary procedure of moving to table the amendment. The majority leader is privileged to make that motion, but I believe the amendment I have offered is an important one, and that all of us should stop, look, and listen before we adopt a completely new concept in the price support and agricultural program.

I voted for the Ellender amendment. I intend to vote for the passage of the bill. My amendment is not offered in any way to destroy the purpose of the bill, which as I understand it, and as the distinguished chairman of the committee has repeatedly said, is to reduce surpluses which have been created in feed grains. If I thought my amendment would increase the surpluses, I would not sponsor it. Actually, my amendment is intended to protect those portions of the agricultural economy which have helped to reduce and eliminate surpluses, by increasing the use of such grains on the farms for the feeding of livestock.

A large part of the crops about which we are speaking—feed grains—are raised on the farm to feed the livestock owned by the farmer. Such grain cannot in anyway come under the price support program, as would the grain not used on the farm where grown. I see no reason for saying that the amendment would destroy the purpose of the bill.

The grain that is going into storage is not fed on the farms where it is raised. The grain that is going into storage is raised for commercial sale.

Unless the pending bill has the purpose—and I do not charge that it does—to put a ceiling on the number of cattle, hogs, chickens, and sheep, by reducing the amount of grain a farmer can raise on his own farm, to feed to his own animals, I do not see how the amendment can damage the bill.

On the other hand, if the purpose of the bill is to place a ceiling on the number of livestock to be raised in America, I hope my amendment will be adopted and thus thwart any such attempt.

Forty-nine percent of the agricultural income of Oklahoma comes from livestock and livestock products, including dairy products and poultry; 49 cents of every agricultural dollar earned in Oklahoma are earned from livestock.

I wish to point out to Senators who yesterday voted against the Eastland amendment that they might do well to consider the extent to which the economy of their States is dependent upon

livestock and livestock products and poultry.

The grain that farmers raise to feed to their own livestock is not stored in the elevators. The grain raised by farmers, to be fed to their own livestock, goes into the market in the form of cattle or hogs or poultry—products that the public is ready, willing, and eager to purchase.

I have never heard a Senator ask to have limitations or controls placed on the livestock herds; and I intend to make every possible effort to prevent the imposition of such controls or limitations indirectly through the feed grain program.

When I read the provisions of this bill, I think we are skating on rather thin ice. We may be establishing a program of Federal "birth control" on livestock.

Mr. HRUSKA. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. HRUSKA. I should like to say that, according to the latest reports, 45 percent of the agricultural income of Nebraska comes from livestock and livestock products; and we, too, are concerned with the things the Senator from Oklahoma has been mentioning.

I wish to say that I am in full agreement with the rationale of the remarks of the Senator from Oklahoma, and it is my intention to support his amendment.

Mr. MONRONEY. I thank the Senator from Nebraska.

Mr. ALLOTT. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. ALLOTT. I wish to state that I shall support the amendment of the distinguished Senator from Oklahoma; and I wish to point out that in Colorado the situation is even more extreme than that which he has mentioned in Oklahoma, for in 1960, in Colorado, the agricultural income from livestock was \$392,198,000, as compared with an income of \$246,500,000 from crops; and I point out, and emphasize particularly, that in 1961, in Colorado, the agricultural income from livestock was \$402,899,000—almost \$403 million—as compared with income of \$233,500,000 from crops. So in Colorado the situation is much more exaggerated even than that in Oklahoma.

In legislating at this time on agricultural matters, I do not understand how, under the guise of trying to pass a proper bill, any Senator who believes in the free enterprise system of our country can take the position that the Government should deprive a farmer of the right to grow on his own land the grain he needs for feed for his own livestock.

Mr. MONRONEY. Mr. President, I thank the Senator from Colorado for the contributions he has made.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. CASE of South Dakota. I wish to concur in the remarks which have been made by the Senator from Colorado [Mr. ALLOTT].

Today, in South Dakota the income from the production of livestock and livestock products constitutes between 74 and 82 percent of the entire agricultural income of the State.

To the extent that a farmer feeds to his own livestock the feed grains he raises on his own land, it seems to me we should respect his right to do that; for it does not contribute to the surpluses which are placed in storage.

Mr. ALLOTT. Mr. President, will the Senator from Oklahoma yield again to me?

Mr. MONRONEY. I yield.

Mr. ALLOTT. Would not the Senator from Oklahoma agree that the provisions of the pending bill, as it now stands—in the absence of his amendment—will permit the prices of feed grains to be controlled and will permit their production to be absolutely controlled, and, ultimately, will permit the Secretary of Agriculture to have the power to control the production and the prices of livestock?

Mr. MONRONEY. If he can control the supply of feed and the acreage which a farmer can plant in feed grains to be fed to his own livestock, then obviously the law of supply and demand will force up the price of feed and restrict the number of cattle he can raise.

The PRESIDING OFFICER. The time available to the Senator from Oklahoma has expired.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Oklahoma 3 minutes from the time available on the bill.

Mr. MONRONEY. Mr. President, will the majority leader also yield 3 minutes to me, inasmuch as I yielded time to Senators on his side?

Mr. MANSFIELD. I am glad to do so, Mr. President.

Mr. MONRONEY. I thank the Senator from Montana.

Mr. President, the pending bill deviates completely from the theory of price supports. Beginning with the first farm bills, a quid pro quo has been written into all of them—namely, that in order to obtain a price support the farmers must be willing to produce under acreage controls. However, this bill provides that such an arrangement no longer shall exist in the case of the feed grains, even though they are not causing us any storage problems.

This part of the bill subjects a farmer who feeds to his own livestock the grain he raises on his own farm—grain which never goes into storage—to limitations which can be voted in by hundreds of thousands of farmers who are not at all concerned with the problems of those who feed to their own livestock the grain they raise on their own farms. But those farmers receive no price support for that grain, and their livestock receives no price support. Nevertheless, if the controls were voted in by two-thirds of all the farmers the bill would compel livestock feeding farmers to reduce their crops of feed grains, regardless of the size of their livestock herds; and then they would have to purchase on the market the feed grains they would need for their herds.

Furthermore, we going to “drop the curtain” on millions of livestock without any advance warning to the cattlemen who have planned to raise the grain they need in order to carry their stock. Certainly they are entitled to have a period of 2 years—if we are going to push this provision upon them—in which to make some adjustment. I do not believe that Congress should pass a bill which would deny some equity to those farmers, and ranchers, in order to permit them to reduce their herds or arrange to purchase the grain they need.

A 25-acre exemption is fine for a small farm on which only a few chickens are raised. But we must consider the situation of farmers in areas where the grass is scanty. Those farmers have to supplement the grass supply with grain sorghums and other feeds, and they must have some grain in storage, in order to be able to get through the dry cycles which occur so often.

But, Mr. President, in the absence of this amendment, those cattlemen will not have a 2-year period of grace in which to adjust their livestock herds and to liquidate whatever they find they must dispose of. They will not have time to do that in an orderly way without causing the market price to drop sharply, as it would if they were forced to sell in a short time the livestock they could no longer support on their own farms.

The PRESIDING OFFICER. The time yielded to the Senator from Oklahoma has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. MUNDT. Mr. President, first, I wish to congratulate the Senator from Oklahoma on his amendment, which I shall support. I also congratulate him for hammering home the point which I tried to make during the debate on the Eastland amendment.

As the bill now stands, it is a livestock control bill; let no one fail to realize that fact. I defy anyone to reach any other conclusion after reading the very intelligent and very persuasive address which was delivered on yesterday by the Senator from Florida [Mr. HOLLAND], at the time when the Eastland amendment was under consideration. He pointed out specifically and directly the impact that controls of this kind will have on the livestock industry.

I am very happy that after the defeat of the Eastland amendment yesterday, the Senator from Oklahoma has seen the light, and now favors making such a provision effective for the next 2 years. If the feed-grain provisions are made inoperative as to those areas for this particular period, certainly they will later on be made inoperative indefinitely, because within 2 years everyone will be alerted to the danger of having this kind of control exerted from Washington, with the result that the departments and bureaus can tell the producers of all kinds of livestock and of feed grains

how much they can produce and how much they can raise.

So today we have a second chance to do what is right, after we did badly yesterday in rejecting the Eastland amendment.

Senators from the Southeast and Senators from the Northeast yesterday did a great disservice—although they did it unwittingly, I realize—to the poultry industry and to the livestock industry of their own States; and now they have a chance to correct that mistake.

The Eastland amendment would have provided permanently what the Monroney amendment will provide on the installment plan.

I urge Senators now, in the second, and perhaps the last, chance to support the Monroney amendment so we can at least keep the livestock industry of America outside the control powers now growing so nauseatingly in Washington.

Mr. MANSFIELD. Mr. President, again I urge the Senate to consider the action it took yesterday, to consider the statements made by the distinguished chairman of the Committee on Agriculture and Forestry, who has worked so hard and diligently on the bill, and to consider the fact that this proposal was not reported from the Agriculture Committee.

I hope the amendment of the Senator from Oklahoma will be defeated. Therefore, I renew my motion that it be tabled. On this question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the amendment of the Senator from Oklahoma [Mr. MONRONEY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Wyoming [Mr. McGEE] would each vote “yea.”

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from California [Mr. KUCHEL].

If present and voting, the Senator from Colorado would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Iowa would vote "nay."

On this vote, the Senator from New Jersey [Mr. WILLIAMS] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Wisconsin would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from California would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from New Jersey would vote "yea."

The result was announced—yeas 43, nays 40, as follows:

[No. 65 Leg.]

YEAS—43

Bartlett	Hayden	Pastore
Bible	Hill	Pell
Burdick	Humphrey	Randolph
Byrd, W. Va.	Jackson	Robertson
Cannon	Jordan	Russell
Chavez	Kefauver	Smathers
Church	Long, Hawaii	Smith, Mass.
Clark	Mansfield	Sparkman
Dodd	McCarthy	Symington
Douglas	McNamara	Talmadge
Ellender	Metcalf	Yarborough
Engle	Morse	Young, N. Dak.
Ervin	Moss	Young, Ohio
Hart	Muskie	
Hartke	Neuberger	

NAYS—40

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Anderson	Eastland	Murphy
Beall	Fong	Pearson
Bennett	Goldwater	Prouty
Boggs	Hickenlooper	Proxmire
Bush	Holland	Saltonstall
Capehart	Hruska	Scott
Carlson	Javits	Smith, Maine
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Kerr	Tower
Cooper	Lausche	Williams, Del.
Cotton	McClellan	
Curtis	Monroney	

NOT VOTING—17

Butler	Hickey	McGee
Byrd, Va.	Johnston	Miller
Carroll	Kuchel	Stennis
Fulbright	Long, Mo.	Wiley
Gore	Long, La.	Williams, N.J.
Gruening	Magnuson	

So Mr. MANSFIELD's motion to lay on the table Mr. MONRONEY's amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

The motion to table the motion to reconsider was agreed to.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado [Mr. ALLOTT] is recognized for 10 minutes.

Mr. ALLOTT. Mr. President, S. 3225 will soon be before the Senate on the question of final passage. I shall vote against the bill because it is not good legislation, because it is not responsive to the needs or the desires of farmers across the country, and because it represents a giant leap into the control ridden land of the New Frontier. As the bill is now before us, it would give unprecedented authority to the Secretary of Agriculture to control, in fact to dictate, what the farmers of this country will produce and what they will not produce.

An alternative proposal, which still languishes in committee, is the cropland retirement approach, S. 2822, a sensible answer to the problem of abundant production introduced by the senior Senator from Iowa. In my judgment, it is most unfortunate for agriculture and for the farmers that this bill was not seriously considered. It offers a practical, voluntary land retirement program which attempts to adjust farm production to effective market demand.

Just as significant, Mr. President, is the fact that the bill before us now contains two provisions which the Senate Agriculture Committee, in its wisdom, eliminated. The feed grain and wheat sections as originally proposed by the administration, while stricken in committee, are now back in the bill as a result of amendments offered and agreed to in the Senate.

The feed grain provision, in its present form, offers the farmers who produce these crops a drastic choice, and one which is not occasioned by the present conditions. The choice which will have to be made when the referendum is before them amounts to a strict control of production or, in effect, a complete end to the program. Either alternative places farmers in a quandary which is inescapable. Since the facts show that the great bulk of feed grains are used on the farm for feeding livestock, the farmers' inclination is to accept the alternative which will allow him the opportunity to continue doing just that. By the same token, acceptance of this alternative leaves him without a price support, which amounts to the possibility of a total abandonment on the part of the Federal Government all at once. On the other hand, the administration program would establish the following:

First. Set a yearly national quota for feed grains—corn, grain sorghums, oats, and barley and rye at the discretion of the Secretary—which would be converted into a national acreage allotment.

Second. Distribute the national allotment—less small reserves—to States, counties, and farms in the commercial feed grain area, using the years 1959–60 as a basis—after the 1965 crop, the base period would be the most recent 2 years.

Third. Establish a 25-acre exemption for small farms planting feed grains in 1959 and 1960. Farms with 25 acres or less could participate in program or could stay out. If out of program, no payments or price support or voting in referendum; if in program, producer eligible for price support, payments, and voting in referendum.

Fourth. Hold a referendum for a 1-, 2-, or 3-year period which requires approval of two-thirds of those voting. Choice in referendum would be protection against annual domestic sales of 10 million tons of Government-held surplus feed grains.

Fifth. Require mandatory land retirement of portion of feed grain base as determined by Secretary. Diverted feed grain acreage could be grazed.

Sixth. Make land-retirement payments in cash or in kind for 1963, 1964, and 1965 at "fair and reasonable" rates for feed grain base retired up to 20 percent or 20 acres.

Seventh. Make flexible price supports available only to cooperators at levels from 64 percent to 90 percent of parity.

Eighth. Allow interchange of wheat and feed grains on feed grain allotments.

Ninth. Assess penalties against non-cooperators by (a) denying land retirement payments, (b) denying price support and, (c) collecting civil penalty based on excess production times 65 percent of parity price—unless stored.

Tenth. Require "cross-compliance" with other allotment programs as a condition of eligibility for feed grain program benefits.

Feed grain producers, in other words, really would have no clear choice of reasonable alternatives—and I deplore this situation and voted against it. While I was not satisfied with the reported version of S. 3225, it, at the very least, offered an extension of the emergency feed grain program as an alternative to the administration proposal.

We considered the Ellender amendment to restore to S. 3225 what the Agricultural and Forestry Committee, in the face of long hearings and careful study, determined was not the appropriate solution to the problem. And in lieu thereof, we are making the farmers choose between a very restricted program or nothing at all. Certainly the Ellender amendment represents an improved approach by turning to control of production of wheat based upon bushels—and this approach I do favor—and it allows wheat produced on excess acres to be stored—however, the drastic reduction from previous years makes it unworkable in terms of reality. A mar-

keting quotas based upon 1 billion bushels represents a 25- to 30-percent cut, from the 55 million acre base which has previously served. And I point out the fact that this will cause severe hardship to many of the farmers in the Hi-Plains area of Colorado who have no choice of crops to produce. Factors such as the short growing season and lack of moisture make it impossible for them to turn to other crops. The livelihood of these people is in jeopardy with limitations as severe as these, and I cannot support, could not support, this wheat proposal.

A recent poll, to which 64,000 farmers across the country responded, indicated that better than 50 percent wanted the Government entirely out of agriculture and controls removed; 43 percent favored a program of land retirement, and 4 percent favored the imposition of strict controls. The farmers in my State confirm the fact that they overwhelmingly reject S. 3225 and what it represents. I agree with their view and am satisfied that the bill will not meet the needs. Accordingly, I shall vote against passage.

Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield me 1 minute, before there is a third reading of the bill?

Mr. DIRKSEN. Mr. President, under the time on the bill I yield 1 minute to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, due to the fact that I had a speaking engagement away from the Chamber when the vote was taken on the motion to table the Keating amendment, I therefore was necessarily absent for the few minutes required for the vote. I now move to reconsider the vote by which the Keating amendment was tabled. I understand such a motion was not made at the time. In this manner I may vote upon the motion to reconsider and record myself accordingly. Though my vote would not have made any difference had I been in the Chamber, I feel keenly about the subject and wish to be recorded. Therefore, I move to reconsider the vote.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to table the motion to reconsider was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3225) was ordered to be engrossed for a third reading and was read the third time.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, the Senate is about to vote on what I believe is one of the most restrictive and controlling bills that has ever been attempted to be foisted upon American agriculture. We are all aware of the

problems of agriculture. We are aware of the surpluses that have been produced. We are aware of the search to find some equitable and reasonable solution. But I submit that the bill would not only fail to solve a problem of agriculture, but it is deliberately designed, in my opinion, by the Cochrane-Freeman administration program, to place agriculture in one of the most severe and stringent strait-jackets in which it has ever been placed. It is the opening wedge for full control.

Under the bill as amended, the Secretary of Agriculture will have the authority to set the support for corn and other feed grains, should the farmers reject the administration's feed grain program in the referendum, at any level from zero to 50 percent of parity. Since the original Kennedy-Freeman-Cochrane farm bill would have withdrawn supports completely, if the farmers rejected the program, can there be any doubt that the level of supports set for feed grains would be zero? That is the program. That was the plan originally announced. I am sure it would be carried out under the bill.

The administration proposes to go ahead with its all or nothing at all approach—the two-barrelled shotgun approach—of complete withdrawal of supports should producers reject its complete control and regimentation of feed grain production.

I think that is their intention. Whether they will do it or not, it is the threat which they hold. What kind of a choice would the farmer have? If supports were withdrawn completely, the farmer would face disaster unless he takes their practically unacceptable approach.

This same choice is offered the wheat farmer in this bill. The Secretary will again have complete discretion to set wheat supports at anywhere from 0 to 50 percent of parity. What guarantee is there that the Secretary will not set supports at 0 percent of parity when the wheat farmers reject the wheat program with all its controls and severe penalties?

And if the corn producers reject the administration's program, the administration can dump 10 million tons of corn on the market at little more than 2 percent above the current support price. Since the administration sets the support price, this sale by the administration could be as low as 2 percent of zero.

That is what they could sell the corn for if they elected not to have any support prices, and it within their power to so fix it. Frankly, I doubt that they would take support prices off entirely, but they have said that they would use the device to compel acceptance for their otherwise unacceptable program. I do not see how anyone really interested in the wheat farmer, the corn farmer, or the feed grain farmer could agree to the so-called Ellender amendment, which restored complete power, complete whimsical direction and supervision and discretion to the Secretary of Agriculture. I do not see how they could support it. In the wheat proposal, of course, there is also a dumping provision with the same kind of operation. I am mere-

ly calling attention to what we will get into in the field of agriculture.

With regard to penalties, if two-thirds of the feed-grain farmers accept the administration's feed grain program, then they must accept the controls set by the Secretary of Agriculture, whose political agents will determine just how much each farmer can grow. If the feed-grain producer harvests any extra acreage, whether intentionally or inadvertently, whether he uses it on his own farm or sells the crop, he must pay a penalty equal to 65 percent of the parity price of twice the normal production of the extra acres, under section 360(h). Ellender feed-grain amendment, adopted yesterday.

In addition, the farmer must pay another penalty of 65 percent of the parity price for the normal yield of those extra acres.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 2 more minutes to the Senator.

Mr. HICKENLOOPER. In other words, the farmer is stuck with a penalty of three times the normal production of each extra acre planted. We can be sure that the enforcers of this act will decide that the extra acres are those that produce the most, of those planted, rather than the lesser producing acres. This triple penalty becomes a lien against the entire feed-grain crop of the farmer, and all producers on that farm are jointly liable, as is anyone to whom the farmer sells any of the feed-grain crop from his farm, whether from the extra acres or not.

In other words, the purchaser would be held responsible for inquiring whether the seller is in some violation or not; otherwise the purchaser might be held for the penalty. That is what we are determining when we vote on the bill. That is what we are proposing to impose upon a free agriculture in this country. I think it is an intolerable situation.

The farmer cannot even feed his own livestock without violating a Federal lien. The buyer of any feed grain from the farmer is required to collect this triple penalty, with 6 percent interest from date of harvest, or be stuck for the penalty himself. How in the world is any buyer to be able to tell whether a farmer has harvested extra acreage of feed corn, especially when most of the corn is sold on the farm? This bill will completely scare away any buyers from the farmer, and all sales will tend to be through the Government, through CCC loans, to the consumers. After all, the Government is going to be able to control market prices anyway, through its sales of CCC stocks that have in any way deteriorated, and through sale of stocks released through payment in kind certificates for diverted acres.

For that matter, how is any farmer really to tell when he has exceeded his acreage? Farms are not laid out like city blocks, so many rods this way and so many that; fields, especially of farmers who are attempting to follow conservation practices of contouring, strip-farming, terracing, grassed waterways,

and so on, which I thought the Senate wanted to encourage, are very irregular and difficult to measure accurately. Fair men often differ in those measurements. There are Senators in this very body who have told me just this week that they have had to plow up or cut down wheat stands recently because the local ASCS committeemen decided that they had overplanted their allotted acres of wheat.

I repeat, as I have said before in the debate on this subject, that probably the only ones who will really benefit from the bill will be the lawyers and accountants who will have to be hired by the farmer, the feed grain dealers, the investigators who will have to go around to see if there are violations of the act or not, and an increased number of Federal employees. Hundreds or thousands of employees will be put on the payroll of the Department of Agriculture to go around to every farmer's yard and police the activities of the farm.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CURTIS. With reference to the welfare of our loyal friends, I would like to inquire whether one could get into court under the various delegations of power in the bill.

Mr. HICKENLOOPER. I think it would be very doubtful. The discretion given is so broad that I think it would be very doubtful.

Mr. CURTIS. Even if he could, he could not get to court in time.

Mr. HICKENLOOPER. No, he could not get into court in time. He would starve to death before he would get into court. But he might be able to get into court in some way. I could not pass on that question at the moment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. I shall vote against the proposed legislation because it is very bad legislation. Moreover, it is very vicious legislation.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, before the final vote is taken, I wish to state what the result will be if the pending bill becomes law.

First. It will reduce net farm income unless a substantial subsidy is given to farmers.

Second. It will reduce employment on farms and in factories. There is no question about that.

Third. It will increase the unit cost of production, because a large part of the cost of production on farms today is the cost of the capital investment, and that remains constant regardless of the production of the farm.

Fourth. It will increase the consumer's price sharply unless a substantial consumer subsidy is provided by the Government.

Fifth. It will necessitate the hiring of thousands of Federal officials to police the farmers, handlers, processors, and sellers of farm commodities.

Sixth. It will greatly increase the cost of Government.

Seventh. It will decrease U.S. prestige in other countries, which has been held so high by reason of our having a bountiful supply of food with which to step in whenever they were threatened with famine or inflation.

Eighth. It will chisel away the hard-won liberties which American farmers have won over the generations at such high cost.

I hope that every Senator who votes for the bill will paste this prediction of mine on the wall alongside the mirror in his bathroom, where he can look at it every day for the next 2 years.

Although there is some offsetting good in the bill to be found in titles I and IV, the evil in it so preponderantly exceeds the good that I cannot in good conscience vote for it.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I yield myself 1 minute to ask the majority leader about the calendar for Monday and the remainder of next week.

Mr. MANSFIELD. Mr. President, at the conclusion of the vote on the bill now pending before the Senate, it is the intention of the leadership to turn to the consideration of Calendar No. 1321, S. 2965, introduced by the Senator from Pennsylvania [Mr. CLARK] and other Senators to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

After consultation with the ranking Members on both sides of the aisle on the Public Works Committee and the leadership on both sides, it was thought it might be well to consider the possibility of a unanimous-consent request being made after the pending business was disposed of and the public works legislation was before us. The reason why it was thought advisable was that it was considered that if an announcement were made prior to the vote on the farm bill there would be a large attendance of Senators to place on notice that such a motion would be made.

Whether or not a motion of that kind will be accepted, will, of course, depend on the membership of the Senate. However, it is anticipated, with the approval of the Senate, that the leadership will ask unanimous consent to have the Senate meet at 10 o'clock on Monday morning; that there will be a time limitation having to do with the substitute to be offered by the Senator from South Dakota; that there be a time limitation on all amendments; and that there be 5 or 6 hours of debate on the bill itself.

At the appropriate time the leadership together will make that proposal to the Senate. For the time being this is notice that that will be the situation so far as further legislation is concerned.

Mr. DIRKSEN. By way of supplementing what the distinguished majority leader has said, virtually all the minority members of the Public Works Committee were at the meeting this afternoon in my office; also present were

the majority leader and the chairman of the Public Works Committee.

It was thought that 2 hours would be ample time to devote to the substitute that might be proposed by the Senator from Vermont [Mr. PROUTY]; 2 hours to the substitute to be proposed by the Senator from South Dakota [Mr. CASE]; 1 hour to a kind of package substitute, which the chairman would offer; 1 hour on all other amendments; and 5 hours on the bill.

It was thought that that might be adequate time in which to ventilate all the issues involved.

So the measure comes before the Senate through the majority leader by way of general agreement on the part of virtually all the minority members on the committee.

I yield 3 minutes to the Senator from South Dakota.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MUNDT. Mr. President, it has been a long time since I have felt compelled to vote against a farm bill in Congress. However, I shall vote against the pending bill. It has some titles which appeal to me. I favor the functions of title I, as they have been modified by our committee; title IV; and title V.

While the Senate, in its wisdom in a rollcall vote failed to advise the administration that the recreational facilities set up under title I should be made available to people regardless of race or color, I am convinced that equity will prevail and, if necessary, the courts will hold that of course what the recreational areas we provide in title I shall be available all over the country for all citizens regardless of race, creed, or color, as indeed they should be. When we collect money from the taxpayers as a whole with which to set up a public project, obviously the benefits of that project must be made available to every American citizen. I favor that and this bill provides for integrated recreational areas in the South. Even some of our southern friends are voting for that.

I favor the provisions of title IV.

In the final analysis, I believe that title V will be one of the important permanent contributions to a solution of the farm problem. Were the rest of the legislation not so bad, title V alone would induce me to vote for it. Since it serves to promote industrial uses for farm products.

However, when it is proposed to deny to the wheat farmers of America the right of free choice between two work-

able programs, in order to decide which of the two they prefer, and when there is provided instead a selection involving the Department of Agriculture holding a gun to the head of the wheat farmer and telling him to take the program advised and recommended and proposed by the administration, or get no price supports at all, I cannot vote to put the wheat farmers of South Dakota, at least, under that kind of mandatory decision.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from South Dakota.

Mr. MUNDT. From the standpoint of the feed grain section, which, if anything, is even worse than the wheat section, we know that this is, in effect, livestock and poultry production control, which will lead to livestock price control.

Down through the year the livestock industry has stood courageously on its own feet and has refused to accept price controls on live animals.

To do to them by indirection what they have successfully resisted having done to them directly, seems to me to be highly inappropriate and is justifiable cause for voting against the legislation. The debate, discussion and vote on the Monroney amendment demonstrate the determination to establish livestock and poultry controls.

Inevitably the legislation will reduce the income of farmers and increase the costs of the family budgets in the cities. To shoulder off onto the consumer and the worker in the city the financing of the farm programs, which now in part is shared by the taxpayers generally, will mean that Senators' constituents in the big cities will have to pay an additional cost for their foodstuffs.

I regret also that nothing was done to help the dairy industry, to meet some of the problems that face it.

Therefore I shall vote against the bill. I am confident that before another year rolls around sufficient protest will develop in the country so that we will be back on the floor of the Senate trying to amend the legislation which I believe we are going to pass in error here today. If we do, it will be a triumph of partisan politics over sound economics. It will comprise another mighty step toward the superstate and a politically controlled economy.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I consider it an honor to serve on the Committee on Agriculture and Forestry under the chairmanship of the distinguished Senator from Louisiana [Mr. ELLENDER], whom I greatly respect. I had hoped that we could produce a bill which would provide a program that would be better than the one we have had. I voted in committee for the bill which was developed by the committee. I voted yesterday in the Senate for the wheat amendment offered by the chairman. But I cannot vote for the bill as finally amended, because it contains the feed grains amendment.

There are not the expensive surpluses in feed grains that there are in wheat, for example, and the facts prove it. Second, the feed grain amendment could lead to controls upon livestock, and everyone should know it. Certainly, this provision will prevent the farmers in my State, as well as farmers all over the South and the rest of the country in many cases from producing the full amount of feed grains needed for use on their own farms.

I do not wish to make an extreme or exaggerated comparison. However, a year and a half ago when I was in Russia, I talked with members of our Government who had been in Communist China. One of the causes of famine in that country, other than the lack of transportation, and of the failure of farm programs there, is the freezing of the production of crops in specific areas. Farmers have been prohibited from growing for their own needs crops formerly produced by them. This is not exactly analogous to the freezing of feed grain production by this bill, because overall we have ample production. But it is a true analogy insofar as this bill would prevent farmers from producing for their full needs on their farms.

Mr. President, I am sorry, but I cannot vote for the bill.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, some time ago, Mr. Cochrane, economic adviser of the Department of Agriculture, said he regarded agriculture as a utility; that he believed the production of food and fiber should be nationalized. If we pass the proposed legislation, we shall, in effect, be implementing that idea.

The bill is tantamount to blackmailing farmers into accepting something they do not want. It embodies a calculated effort to reduce them to such a status of dependency upon and subordination to the Federal Government's program for the nationalization of farms that they will have succumbed to reality.

Mr. President, the bill is a gigantic step toward planned economy in the United States. It is my fervent hope that it will be defeated.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. President, there has been much debate and comment on the direct effects and results of the bill. My remarks in opposition to the bill will, however, be on the collateral but inescapable impact on a specific area, that is, upon the livestock and poultry industries. Those industries have serious misgivings and apprehensions about the "supply control"—the supply management—concept which is so firmly entrenched in the bill as it is now before the Senate. Those misgivings and apprehensions are fully justified. The direct effect of the feed grains provision in very short order will be supply control for the livestock and poultry industries, and particularly the beef industry. In Nebraska, my own State, about 45 percent of the State's income is derived from that industry.

There is no doubt that the eventual goal of the architects of our present national agricultural policy is directed toward supply management and supply control in all aspects of agriculture.

A year ago, we had an omnibus bill. I well recall the efforts of the livestock industry at that time to exempt their industry from that bill. Then came the realization that, as surely as day follows night, supply controls in feed grains will mean supply control of livestock and poultry. This is not speculation, this is not conjecture. It is in the blueprint, it is one of the goals of the architects of this legislation.

Mr. President, I call attention to an article published in the Journal of Farm Economics for November 1959, in which Dr. Willard Cochrane, Chief Economic Adviser to Secretary of Agriculture Freeman, and the principal architect of this legislation, said:

It is possible that the long-run price elasticity of beef at retail is greater than one, and some remote possibility that this price elasticity at the farm price level is greater than one. For these reasons, beef producers probably would not want to initiate supply control, and they would be justified in sitting out any early moves toward supply control.

It is probably the case, however, that beef producers would be forced to accept supply control if producers in the above aggregate of animal products adopted supply control.

Almost a year later, in the Farm Quarterly, the summer 1960 issue, Dr. Cochrane was interviewed by the managing editor of that journal, Charles R. Koch. Here is Dr. Cochrane's answer to a question posed by Mr. Koch:

It would not be a matter of encouragement; some of them would be forced in. If you had a control on hogs, for example, and none on eggs, growers would transfer their corn into the production of more poultry and more eggs. It would be this old transfer of resources devil all over again. The feed resources released from hogs would be put through chickens to produce eggs; and eggs happen to be inelastic in demand and in just a little bit they'd be in real trouble. The feed grain would also be transferred to beef and beef producers would feel some pressure.

Make no mistake about it. If the bill is passed, that chain effect will occur. The result predicted by Dr. Cochrane will be visited upon the livestock and poultry industries.

The issue is deeper than is evident on the face of the bill. This is a restrictive and oppressive way to legislate. There will be bureaucratic control over the last detail of the agricultural activities of the Nation. It is for this reason that I urge the defeat of the bill if we are to avoid that fate for every phase and aspect of agriculture.

Mr. President, I yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I had contemplated a rather long, philosophical discourse before the passage of the bill. However, we have been, as it were, cutting off the dog's tail a little at a time, so much so that even the dog has almost disappeared. Only about 4 minutes of the dog are left. I shall extend that 4 minutes to my friend, the distinguished senior Senator from Idaho [Mr. DWORSHAK]. I shall forego any

classical discussion of the subject and let the bill go on to its destiny without making a speech.

CONFUSED POLICIES OF THE NEW FRONTIER

Mr. DWORSHAK. Mr. President, the Good Book says not to let the right hand know what the left hand does. It seems that the President of the United States and the Vice President recently have been following this admonition.

Last Saturday, at a "birthday salute" meeting in Madison Square Garden, in New York City, the President, according to the news and the press, accused the Republicans of being "against every new program, against every appropriation, against every attempt to help the individual citizen find a better life for himself and his family." He also stated, according to the reliable news reports that his proposed legislation had been defeated in the House or Senate by one or two votes and that there is a big push this year to gain additional Democratic seats in Congress. He certainly was charging that the Republican opposition to his plans was causing the bottlenecks that have developed.

In the Washington Post of May 22, Dorothy McCardle, in referring to the Vice President's speech to 3,000 women who had attended the 1962 campaign conference in Washington, quotes the Vice President as follows:

You wanted to see if there is really any Republican Party left. I hope you brought your Geiger counters because that is what it takes to find them.

Mr. President, how can Republicans, who cannot be found with a Geiger counter, according to the Vice President, defeat programs proposed by the President, as he indicated on Saturday? I feel sure that every program suggested which has merit has been given careful consideration, not only by the members of the Republican Party, but also by the Democratic Party, which is in control of all three branches of the Government. It seems a little farfetched to blame Republicans for everything and to credit Democrats for anything which might be meritorious. It seems to me too, in reading between the lines of the Vice President's remarks, that he probably would not be averse to a one-party government, a theory which is prevalent in some parts of the world, but not entirely popular under our conception of government.

Mr. President, no wonder the American people are so confused concerning the policies of the New Frontier when the two top leaders responsible for that policy fail to coordinate their public statements.

I implore the majority whip, the Senator from Minnesota [Mr. HUMPHREY], to use his great influence in prevailing upon Pierre Salinger, now that he has returned from his sojourn in the Soviet Union, to get back on his job of censoring speeches and to help to pilot the ship of state through the dangerous shoals of political smog.

Mr. President, I ask unanimous consent to have printed at this point in

the RECORD an editorial entitled "Not All the Story," published in the Idaho Daily Statesman, of Boise, Idaho, on March 21, 1962.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT ALL THE STORY

President Kennedy told an audience in New York City Saturday that the Republican Party opposes his program and attempts to stop it at every turn. He said the Republicans are "against every new program, against every appropriation, against every attempt to help the individual citizen find a better life for himself and his family."

We unhesitatingly admit that Mr. Kennedy made a correct statement. The Republicans in Congress do oppose the overwhelming majority of his program. They have opposed most of it from the start.

But Mr. Kennedy conveniently overlooks the fact that there are not enough Republicans in Congress—in either the Senate or the House of Representatives—to stop a single Kennedy project. Furthermore, there isn't a single congressional committee or subcommittee that is not under Democratic control by substantial margins.

It would be helpful if Mr. Kennedy would tell the whole story, not part of it.

It would be more in line with whatever amount of ethics politics should contain if the President were to say that his program, in addition to being opposed by Republicans, also finds healthy opposition among the members of his own party—so much so that, with the coalition of Republicans, members of his own party have him stopped dead in his tracks.

That's the situation as far as Mr. Kennedy's far-reaching program is concerned. It is halted by members of his own party. If all the Democrats supported the President, his program would have long since been completely effected.

The question before the country today is whether or not the established ways of Government are to be at least partly preserved or whether the Kennedy program is to be steamrolled under a political party banner. Fortunately for the country, there are a sufficient number of Democrats to keep Mr. Kennedy and his program in check. Where the country would land were the President able to effect every item on his program is something to consider.

Viewing the overall situation, it would appear that the President has his hands full in more ways than attempting to engineer a number of taxpayer-assessed social projects. He has an interesting battle with the economy. He has intervened in the processes of bargaining in favor of labor against management. He is moving American Marines into territory that could start war. He fights Communists thousands of miles distant and tolerates them just offshore in Cuba. And there are other matters of importance in probably one of the most demanding times on the Presidency in the Nation's history.

Yet Mr. Kennedy has the time, and takes the time, to sulk over negative reaction to certain of his pet theories and, in the process, widens the breach within his own party, not to mention any hope for his obtaining support from the opposition party.

Mr. Kennedy may feel that the Nation needs more Government. That's the only way to describe his many-pronged program. There may be a substantial number of Americans who want less Federal Government. But the American public is entitled to facts when important addresses are delivered to the people of the Nation by the President. This policy is not being followed when the Republicans are blamed for the Kennedy failure to effect his desires. The obstruction is within his own party. He has a program

a large number of American Democrats just won't swallow. The extent of their contribution to the preservation of American Government and American freedoms is yet to be measured.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. DIRKSEN. Madam President, I am sorry to report to the Senate that I must have lost my Geiger counter, for I find that I have some time left under my control. Therefore, I yield 6 minutes to the Senator from New York [Mr. KEATING.]

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from New York is recognized for 6 minutes.

Mr. KEATING. Madam President, I am opposed to this farm bill. I am even more strongly opposed to the amendments proposed by the Secretary of Agriculture, which in my judgment have made the bill all the more unacceptable.

This is a tremendous and unfortunate step in giving the Government complete control over agriculture. It puts the farmer in chains.

I have always been strongly opposed to the feed grain program of the Secretary of Agriculture, which this bill would expand and strengthen to a ridiculous extreme.

When this program was first put into effect, we were given estimates that in the first year it would result in a 716-million-bushel cut in corn production. But it did not even come close to doing that, and it cost millions and millions of taxpayers' dollars, despite its failure.

We are on the wrong track. This whole approach is wrong. The worst thing about it is that if this program is adopted, there will be no turning back. No Federal program is ever temporary. This will mark the beginning of the end for any measure of freedom in American agriculture.

Who is next? Will the businessman be told what to sell and how much to buy and what prices to charge? Will the workingman be controlled as to what kind of job he can take and what he is to be paid? There is no end to it.

We have come a long way from the days when a farm youngster took a blade of new grain in his teeth and did not have a care. Now, that blade of grain will be in a quota. It will be controlled.

Every blade, every bushel, every acre will be controlled. A farmer cannot even feed it to his family or his own livestock without having to give a full account to the Government. This is nothing like the free competitive economic system which we are so proud of.

This bill is not good for the farmer or the consumer or the taxpayer. I cannot support it.

One further word about dairying: We need to do something for dairy farmers, but it must be consistent with our present arrangements. It must to the fullest extent possible limit the degree to which Uncle Sam rides the range.

We in New York have for many weeks been urging that the Secretary of Agriculture review our dairy situation and take emergency action. I sent him a wire to this effect on April 17. But the Secretary refused to consider this plea. Shortly thereafter, Governor Rockefeller sent him a similar and even stronger wire, urging that he reconsider his decision denying a hearing on emergency dairy measures.

Here is a marketing order system in which farmers are supposed to have a voice. Understandably, there was much disgruntlement on the part of New York dairy farmers.

Finally, in his reply to the Governor's wire, the Secretary reversed his position on Friday, and promised a full review of the milk situation in the Northeast. While the Secretary holds out little hope for any action growing out of this review, I am glad that he has finally agreed to look into this situation; and I certainly hope he will think hard about how he can use his discretionary authority to relieve the dairy dilemma in the Northeast.

Madam President, I ask unanimous consent to have printed at this point in the RECORD my wire of April 17 to Secretary Freeman, along with Governor Rockefeller's wire to the Secretary, and the Secretary's reply to which I have referred.

There being no objection, the telegrams and the letter were ordered to be printed in the RECORD, as follows:

APRIL 17, 1962.

HON. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.:

Pursuant to April 5 request for emergency action by New York and other Northeastern dairy cooperatives, I urge that every possible step be taken to immediately relieve unfavorable price and market conditions for dairy products. New York cooperatives also recommend specific action to aid New York dairy farmers. I would appreciate full report on discretion available to you and on feasibility of the several proposed emergency dairy measures of northeastern and New York dairy groups.

KENNETH B. KEATING,
U.S. Senator.

WIRE FROM GOVERNOR ROCKEFELLER TO
SECRETARY FREEMAN, APRIL 30, 1962

On behalf of dairy farmers in New York State I urge you to reconsider your decision denying an emergency hearing on the pricing of milk in the manufacturing class. Dairymen of the Northeast have joined with our producers in New York in the request to you for the emergency hearing. Most certainly they have a right to be heard. This fundamental American principle embodied in the expressed wishes of the operating cooperatives in the marketing areas is ignored in the arbitrary refusal to grant the hearing. Facts presented to your Department at the hearing last year have changed drastically in the intervening

months. Since the announcement of your recommended decision, milk plants have closed and our cooperatives believe more closings will occur at a stepped-up pace. The market cannot compete against an unrealistic class 3 price. In the face of oversupply conditions which the milk producers themselves describe as disorderly and chaotic and which forbode losses eventually running into millions of dollars, the Federal regulating agency holds the humane responsibility of looking into every aspect of this critical situation. I join our producers in a renewed request for an emergency hearing at the earliest possible date.

TEXT OF LETTER FROM SECRETARY FREEMAN
TO GOVERNOR ROCKEFELLER

In your April 30 telegram to me and your public statement last week, you call attention to "oversupply conditions which the milk producers themselves describe as disorderly and chaotic," and you suggest that we have the responsibility of "looking into every aspect of this critical situation."

Certainly if the milk surplus problem is as serious as you state, the agencies responsible for regulation of the marketing of milk do have a responsibility for looking into every aspect of this situation as you have suggested. We will be glad to participate in such a review.

As you know, a memorandum of understanding between the U.S. Department of Agriculture and the States of New York and New Jersey provides for joint application by the three governments of the marketing order program in the New York-New Jersey market. Therefore, it would appear desirable for representatives of our respective agencies to meet at an early date to plan an orderly procedure for such a review.

However, your request for an emergency hearing to consider reducing the price which dairy manufacturers must pay to farmers for milk used to make butter, cheese, nonfat dry milk and other manufactured dairy products, does not appear warranted at this time.

The price that dairy processors in the New York-New Jersey market are paying at the present time for milk used for manufactured dairy products is among the lowest of any major markets in the United States. Evidence introduced at a hearing held only a few months ago on this issue supported increasing the prices to be paid to all farmers in the Northeast for manufacturing milk to the level which has been prevailing in New England markets.

Following close consultations with New York and New Jersey authorities, a recommended decision and subsequent order amendment were issued to increase the minimum prices which dairy manufacturers must pay to farmers under the joint Federal-State order. This amendment was submitted recently to producers for their approval, and probably will go into effect soon.

Dairymen and all other interested parties were given full opportunity to be heard on this issue at lengthy hearings ending several months ago. We have received no factual evidence that contradicts the findings of these recent hearings, nor have we found any such evidence in our survey of the situation conducted since receiving your telegram.

Data collected by the Administrator of this joint Federal-State order show that not a single dairy manufacturing plant has closed since announcement of the recommended decision, and that in fact manufacturing plant capacity is greater today than at the time hearings were held. This indicates that processors will be able to handle all the milk delivered by farmers. The only "milk plants" that have closed are merely receiving stations which have no manufacturing facilities and no longer serve a useful purpose. Increasing quantities of milk are now picked

up at the farm in bulk tank trucks instead of in cans, and are transported directly to manufacturing plants, bypassing the receiving stations which were formerly needed for assembling milk picked up in cans.

Moreover, a central purpose for which the hearing was called was to provide for a more exact alignment of surplus milk prices among the 10 Northeast markets. Proposals to this effect were received from interested parties in most of the markets, including the New York-New Jersey market. Virtually all of the testimony on price alignment was in favor of uniformity of surplus milk pricing among the 10 Northeast markets. The decision, therefore, must be one which prices surplus milk in all markets of the Northeast at essentially the same level. Consequently, any decision made with regard to surplus price levels must take into account the situation prevailing in all 10 markets rather than in the New York-New Jersey market alone.

In light of these circumstances, we do not consider it necessary or consistent with the standards of the law to call a special emergency hearing as you request to reduce the price to be paid to farmers for milk for manufacturing use.

However, this question can be kept under close and continuing review by our respective agencies in their study of the overall situation. I am meeting with a group of representatives of Northeastern dairymen here Wednesday, May 23, to hear their views. If the facts warrant, hearings can be scheduled on this and other aspects of the critical surplus situation to which you refer.

I am looking forward to hearing from you in respect to discussion of plans for proceeding with a review of this situation.

Mr. KEATING. Madam President, I yield back the remainder of the time which has been yielded to me.

Mr. MANSFIELD. Madam President, I yield 2 minutes to my good friend, the Senator from North Dakota [Mr. YOUNG].

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 minutes.

Mr. YOUNG of North Dakota. Madam President, on the question of final passage, I shall vote for this bill, even though I do not approve all of its provisions. I am opposed to the feed grains section of the bill; I believe it is unwise. I voted against it.

But the bill should go to conference. After the conference committee concludes its work on the bill, if the feed-grains section is still in the bill unchanged, I shall again vote against that part of the bill.

I think all livestock producers and all dairymen should be alarmed at the tremendous buildup of price boosting feed grains surplus.

I believe that the farm I own probably feeds more cattle than any other farm owned by a Senator, except one. I think I know something about the cattle-feeding business; and I think Mr. C. S. Radebaugh, the president of the American National Cattlemen's Association, also knows something about the cattle business and feed-grain prices and about how they affect cattle prices.

At the Senate Agriculture Committee hearing this year, Mr. Radebaugh said:

Generally speaking, all cattle produced are fed, and the pounds of beef produced in the feedlot approach the pounds produced on the range. For these reasons, whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle

prices whether in the feedlot or on the open range.

Therefore, Madam President, I believe we must do something about the tremendous buildup of feed grain stocks; otherwise, they will wreck the entire price-support program and the cattle industry and the dairy industry.

Madam President, I am opposed to the feed-grains section of the bill and to some of the other provisions of the bill. I believe the bill should be taken to conference; and I hope that in the conference a better bill can be worked out.

Defeat of this agriculture bill today could well mean the end of any opportunity to write better farm price support legislation and the beginning of the end of all price supports for farmers.

Mr. MANSFIELD. Madam President, if the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] will yield, I should like to submit to him some questions. Will he be kind enough to accede to that request?

Mr. ELLENDER. Yes. I am familiar with the questions, and I shall be glad to have the questions and my answers to them printed in the RECORD.

Mr. MANSFIELD. I thank the Senator.

What are present provisions of law regarding duties and responsibilities of county ASC committees?

Mr. ELLENDER. The committee system is established under authority of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended. This requires a community committee of three members for each community in a county, and a county committee of three members in each county. It also requires a State committee of not less than three or more than five farmers who are appointed by the Secretary of Agriculture.

Community committees and county committees are farmers elected by their neighbors as provided by section 8(b). The Secretary is directed by this act to make such regulations as are necessary relating to the selection and exercise of functions by the respective committees, and to the administration of programs through these committees. Regulations governing ASC county and community committees have been formulated and published in the Federal Register. The purpose of these committees, as stated in the regulations, is to direct the administration of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act of 1936, the Agriculture Adjustment Act of 1938, the Sugar Act of 1948, the Soil Bank Act, and such other acts of Congress as the Secretary of Agriculture or the Congress may designate. Among these additional programs assigned are: Section 32 programs of the act of August 24, 1935, as amended, the 1961 feed grain program, the 1962 feed grain program, the 1962 wheat stabilization program, and other miscellaneous programs.

These committees are directed to carry out at the State, county, and farm level, the provisions of the applicable laws, regulations, and official instructions.

Mr. MANSFIELD. What are the duties and responsibilities of State ASC committees?

Mr. ELLENDER. The State committees are subject to the direction and supervision of the Deputy Administrator, State and county operations, and the area director who reports to that office. Each State committee is generally responsible for direction of the county committees and carrying out in the State the various acts and programs as assigned. This includes the responsibility for the development of interest and understanding of these programs on the part of individual farmers and non-farm groups. The State committees are responsible for the efficient, orderly operation of ASC county and community committees and county and State office employees within the State.

Mr. MANSFIELD. What are the duties and responsibilities of a State committee when the county committee refuses to follow the law?

Mr. ELLENDER. Under the regulations, the State committee is required to suspend any county committeeman who fails to perform the duties of his office or who commits, or attempts or conspires to commit fraud in the conduct of his office, or who is incompetent, or who seriously impedes the effectiveness of any program administered in the county, or who violates the applicable political activity restrictions. If the charges are supported, the State committee is required to remove the committeeman.

Mr. MANSFIELD. If a State committee pursuant to law determines that it has no alternative, other than the removal of the county committee, what is the lawful procedure?

Mr. ELLENDER. Before removing a county committeeman, the State committee first must determine the detail involved showing that the committeeman failed to perform the duties of his office, or committed, or attempted, or conspired to commit fraud in the conduct of his office, or that he is incompetent, or that he seriously impedes the effectiveness of any program administered in the county, or that he violated applicable political activity restrictions. These charges and details must be given in writing to the county committeeman in a suspension action. The suspended committeeman is given 15 days within which to advise why he should be restored to duty. The State committee reviews the reasons given and determines whether the charges are correct. If not, the committeeman is restored to duty. If the reasons are sustained, he is removed and given a written statement of removal setting forth the authority therefor, and the statement of charges supporting the removal. He is further given notice that he has 90 days in which to appeal his removal to the State committee and that his appeal may be in writing, in person, or both. If the appeal is in person, a court reporter records the proceeding, and he is furnished a copy. The State committee then must decide whether removal is still required. If so, the removal committeeman is given notice of final decision in writing, and is

informed in writing that he has 90 days from the date of mailing of the decision to appeal to the Deputy Administrator, State and County Operations, Washington, D.C. The appeal to the Deputy Administrator may also be in writing, in person, or both. If the appeal is in person, the proceedings are recorded by a court reporter and the removed committeeman furnished a copy thereof. The Deputy Administrator makes a final determination on whether the charges are supported by the facts, and either restores the committeeman to office, or confirms the removal. A final decision is given with full particulars to the committeeman in writing.

Mr. MANSFIELD. How long has this procedure been in effect?

Mr. ELLENDER. This procedure has been in effect in substantially the same form for the past 20 years.

Mr. MANSFIELD. In what recent instances has it been used?

Mr. ELLENDER. Hearings held in 1955 and 1956 by a Subcommittee on Agriculture and Forestry, U.S. Senate, 84th Congress, 1st and 2d sessions, on S. 544, page 1051, gave an up-to-date listing of 220 removals, suspensions, and requested resignations of ASC county committeemen and county office employees by, or at the request of the ASC State committees or State offices through a 3-year period. In the State of Missouri, 52 of these removals involved county committeemen who were suspended, removed or forced to resign during the 2 years 1954 and 1955. Seventeen States showed no such removals for the period reported to the committee.

In contrast with the record established by the previous administration, about six county committees have actually been suspended by State Committees under Secretary Freeman. Removals by State Committees under this administration for violation of the law or failure to carry out regulations drawn pursuant to the law have occurred in Dickens County, Tex.; Campbell County, S. Dak.; Glacier County, Mont.; one committeeman in Imperial County, Calif., has been removed, and one committeeman is under suspension in Reeves County, Tex. In South Carolina one committeeman in Kershaw County was removed. In two other States, Minnesota and Idaho, a county committeeman was suspended and later reinstated by the State committee.

Mr. MANSFIELD. In other words, has this same procedure, which has been used for many years by the Department of Agriculture under both Republican and Democratic administrations, been followed in the Glacier County case?

Mr. ELLENDER. The same procedure that has been used for many years by the Department of Agriculture under both Republican and Democratic administrations has been followed in Glacier County, Mont.

Mr. MANSFIELD. Madam President, I do not think there is a Geiger counter in the possession of any Senator on this side of this aisle. We respect and admire and love the Republicans. Of

course, once in a while we like to beat them in elections.

But as to the pending legislation, I wish to testify to unbounded admiration for the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], who has shown such sound generalship and has furnished such good counsel and guidance in piloting through this very difficult measure. The job he has done is all the more remarkable because of the many complexities involved. The country owes him a very great debt.

I also wish to pay my respects to the ranking minority member of the committee, the senior Senator from Vermont [Mr. AIKEN], who at all times has shown himself to be fully cognizant of the subject at hand, and always has conducted himself as a gentleman who understands the problems of others.

I also wish to say a good word about the acting majority leader during the past week of the consideration of this bill—my colleague, the distinguished Senator from Minnesota [Mr. HUMPHREY]. He has shown his usual understanding, his wide knowledge, his good nature, and his tolerance. He has been a tower of strength in behalf of a sound farm program. And with the excellent sense of humor that is always his, he lightened our burdens as we confronted the complexities of the bill. Without the leadership of the Senator from Minnesota and the Senator from Louisiana this bill, as it has been amended, would have stood no chance of passage.

And of course to my distinguished colleague, the minority leader [Mr. DIRKSEN], I wish to state that I am always grateful for his cooperation, his understanding, and the close relationship which exists between us as we endeavor collectively to carry out the business of the Senate.

I am happy that the forthcoming vote is about to bring to a conclusion our consideration of this measure. This is a great step forward in agricultural legislation. It appears to me that the votes on it may be more widely separated than usual; but I wish to compliment and commend the Senate for the cooperation and understanding shown both collectively and individually toward the leaders; and I desire to express the hope that when we have disposed of this bill, we shall be able to arrive at a reasonable and early conclusion concerning the next order of business, the public works bill.

Let me say to Senators on this side of the aisle that I hope every Senator who is present now will remain here and will be here on Monday; and I hope that Senators who are not here now will return to the city on Monday and will give their attention to the very important bill which will be coming up next week.

Mr. DIRKSEN. Madam President, will the distinguished majority leader yield to me?

Mr. MANSFIELD. Certainly; I yield to the distinguished Senator from Illinois whatever time he desires to have.

Mr. DIRKSEN. Madam President, I concur in the statements of felicitation which have been uttered by the majority

leader. Let me reiterate all over again my deep and abiding affection for him.

As we approach the conclusions of this debate, let me say that seldom have I seen a time when the Senate has stayed so diligently on the issue before it, and seldom have I observed so little acrimony and so amazing an amount of grace displayed by our distinguished colleagues on the other side of the aisle.

So, Madam President, now we are prepared to vote.

Mr. HUMPHREY subsequently said: Madam President, the junior Senator from Colorado [Mr. CARROLL] has been necessarily absent from the Senate during our consideration of the farm bill. He is detained in Colorado because of illness in his immediate family.

The Senator from Colorado [Mr. CARROLL] prepared a statement he would have delivered to the Senate if he had been able to return before the final vote on the farm bill. The Senator has asked me to have his statement printed in the body of the RECORD prior to final vote on the farm bill.

Madam President, I therefore ask unanimous consent that the statement by the Senator from Colorado may be printed in the RECORD, together with sundry newspaper items.

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CARROLL ON THE FOOD AND AGRICULTURE ACT OF 1962

THE FARM BILL WILL CUT SURPLUSES AND IMPROVE FAMILY FARM INCOME

I regret that I was detained in Colorado by illness in my family and was forced to miss several votes on farm bill amendments.

However, through the courtesy of the Senator from Wyoming [Mr. HICKEY] who joined with me in a live pair, I, in effect, was able to cast a vote on the Ellender wheat and feed grain amendments. The Senator from Wyoming [Mr. HICKEY] withheld a "no" vote and I was recorded as voting "yes."

I supported both amendments as being in the best interest of the Nation, while at the same time being in the interest of Colorado farmers.

WILL CUT COSTS IN HALF

All of us have been concerned about the cost of the farm program.

The Ellender amendments earned my support when I studied their effect on farm program costs.

Senator ELLENDER said on the floor of the Senate that last year the wheat program cost in excess of \$600 million and the feed grain program in excess of \$800 million. Referring to the bill with his two amendments he said: "It is my belief that those costs will be cut probably in half or more."

Senator ELLENDER added: "Of course, one of the purposes of the bill is to stabilize and to increase farm income."

FARMER'S INCOME IMPROVED

I supported the chairman, Mr. ELLENDER, when I was convinced that the farmer's income would not be impaired, but rather would be improved, and that the cost of the farm program to the taxpayer could be reduced.

The cost of the Government wheat program has been enormous and is a source of embarrassment to the wheat farmers and a source of irritation to the urban taxpayer.

For example: Last fiscal year the carrying charges on wheat, that is storage, handling,

and interest on investment, came to \$399.4 million.

This year, in addition to the carrying charges I have just listed, the emergency wheat program will amount to \$345 million.

Added on to all this is the export subsidy of 60 cents per bushel.

If you went back to October 17, 1933, the beginning of the wheat support program, you would find that the cost of the program to the CCC, including price supports and various export subsidies, is \$3.6 billion.

The proposed farm bill, with the Ellender amendments, is designed to slash this year-in, year-out burdensome cost, while at the same time strengthening the income position of the family farmer.

BUSHEL CONTROL

I have long endorsed, supported, and promoted a bushel—or unit—control plan as the only sensible and practical way to control overproduction.

The farm bill I am supporting today, as amended by the Ellender amendments, relies heavily on a unit control, or bushel control plan for wheat.

Bushel control is not a new idea.

Farmers have been talking about it for 20 years.

We now are on the threshold of seeing bushel controls for the first time become a reality.

The so-called wheat certificate plan, which is the bushel control plan, will do several things.

It will control surpluses through marketing allotments and acreage reduction. It will stabilize the farmers' income, and it should help reduce our export subsidy costs.

The price support for wheat, in the first year, will be \$2 a bushel.

I think with a \$2 price our wheat farmers will have a stable income.

STORAGE OF EXCESS GRAIN

I am pleased that the bill permits our wheat farmers to store on the farm, at no cost to the Government, grain from excess acres.

This is vital crop insurance in the Great Plains.

In many of our Colorado counties the risk of drought is so great our farmers are not eligible for crop insurance.

One way they can insure against a bad year is to store excess grain from a good year.

The bill before the Senate permits them to do this.

This feature is especially important this year because of an impending drought and the possibility of heavy wheat crop losses in eastern Colorado.

Although we have had good rains in the past week, some of the wheat crop was irretrievably lost before the saving rains came.

I submit for printing in the RECORD two stories from the Denver Post dated May 11 and May 17, 1962, which describe the extent of the current Great Plains drought and its effect on our wheat crop:

"[From the Denver Post, May 11, 1962]

"FARMERS WORRIED—BAKED REGION DUE MORE OF THE SAME

"More hot, dry weather was forecast Friday for Colorado, Wyoming and New Mexico to the dismay of eastern Colorado's dryland wheat farmers faced with the threat of another drought.

"The weatherman said a few light showers are expected in the mountains of Wyoming and northwestern Colorado in the next day or two but no real relief from the record temperatures and dry winds is likely before the first of the week.

"Showers and some cooling are expected then, he said, but the warm, dry weather will return by midweek.

"Thursday's high temperatures for the three States were 97 at Lamar, Colo.; 89 at

Moorcroft, Wyo., and 100 at Hobbs and Carlsbad, N. Mex.

"Denver's high was 86, equaling the record for the date established last year.

"By noon Friday the mercury had climbed to 87 for Denver's warmest reading since last August and the seventh consecutive day of readings of 80 or above.

"MOISTURE DOWN

"At the same time the Denver area has received only a trace of moisture so far this month, seven-tenths of an inch less than normal for the period. The picture is similar in the rest of eastern Colorado.

"The heat and lack of rain is causing serious concern among agriculture officials and dryland farmers.

"Paul W. Swisher, Colorado commissioner of agriculture, described the situation as serious along the entire eastern tier of counties.

"To complicate the problem, he said, the hot, dry weather is favorable for a big hatch of grasshoppers, particularly in the southeast.

"Swisher said he was unable to say how much of the eastern Colorado wheat crop has been lost because of the lack of rain but I wouldn't say that it constitutes a major disaster at this time."

"The Colorado Crop and Livestock Reporting Service predicted Friday the Colorado winter wheat crop will total only 50,424,000 bushels, a decline of 3.4 million bushels from the April 1 crop prediction.

"A 50-million-bushel crop would be 14 percent below the 1961 harvest but 24 percent higher than the 1951-60 average."

"[From the Denver Post, May 17, 1962]

"GOOD NEWS TODAY—COLORADO'S PARCHED PLAINS RECEIVE WHEAT-SAVING RAIN

"(By Marilyn Robinson, Denver Post staff writer)

"Up to 3 inches of rain fell Wednesday on the parched plains of eastern Colorado, ending a month-long drought.

"State agriculture officials said the rain should help save what is left of Colorado's \$100 million winter wheat crop and lessen the danger of a grasshopper plague this year.

"But the rain came too late in some areas.

"Nearly an inch of precipitation was reported at Lamar in Prowers County, one of Colorado's three top wheat-producing counties.

"It (the precipitation) will make some wheat but most of the crop was pretty well gone," said Quinton Vance, assistant county agent. The wheat 'just dried up,' he said.

"Vance estimated that the hot, dry May weather had claimed 60 to 80 percent of Prowers County's wheat crop, which had been expected to be the second or third largest in history.

"Wednesday's precipitation, he said, was 'the first good rain this spring.' And, he added, 'we don't usually get 100 degree temperatures in May.' He put the biggest blame on the heat.

"Baca County, another top wheat producer, has fared a little better because more of its crop is irrigated. County Agent Tom Doherty estimated 40 to 50 percent of the dryland wheat crop was lost.

"Some of the State's heaviest rainfall was reported in Yuma County, and County Agent Tom Laquey said the precipitation made 'quite an improvement.'

"Without it, he said, Yuma County would have had 'quite a loss. Now our loss won't be too great but our wheat crop will be considerably smaller than last year's.'

"MAJOR HELP

"Paul Swisher, State agriculture commissioner, said the rain 'was not a solution but certainly a help.' He said the precipitation should halt deterioration of the wheat crop and pasture grasses and help the grasshopper situation.

"He said some eastern Colorado counties have reported as much as 70 percent of their wheat crop survived the hot, dry weather.

"He said a State and Federal team will begin surveying the grasshopper infestation in eastern Colorado Monday but he expects the rain killed many of the hoppers."

These stories serve to show how fast a Great Plains wheat farmer can lose a whole year's income. Senators will note that in Prowers County alone, up to 80 percent of the wheat crop may already be lost.

This is why it is important to let our wheat farmers, at their own expense, store excess grain from a good crop year to offset losses in a drought year. It is, in a sense, crop insurance.

I am pleased to see that the excess grain storage provision has been kept in the bill.

COLORADO FARM MAIL

I am sure that all of us have had fairly heavy mail on this farm bill.

I have had many letters pro and con from Colorado farmers, expressing strong and clear feelings on both sides of the administration proposal to write into law tight bushel controls and permit the farmer in a referendum to vote either for these tight bushel controls or a program with low price supports.

I have studied this mail very carefully and I think it will be of interest to my colleagues to know that 45 percent of the farmers who wrote me opposing strict controls over surplus crops have no wheat allotments; 5 percent have allotments less than 15 acres.

Thus, half of the farmers writing me in opposition to the bushel control program would not be materially affected by the program.

The program in the Senate farm bill, as amended by Senator ELLENDER, has the full support of the National Association of Wheatgrowers, the National Grange, the National Farmers Union, and others.

The wheat farmers of Colorado are for this bill because the certificate plan will cut the cost of the farm program to the urban taxpayer; it will reduce the wheat and feed grain surplus; and it will stabilize the family farmers' income.

I am pleased to give my full support to this bill. I think we are enacting a program many years, millions of bushels and billions of dollars overdue.

Mr. MANSFIELD. Madam President, I yield back the remainder of the time under my control.

Mr. DIRKSEN. Madam President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question now is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEALL (when his name was called). On this vote I have a pair with the senior Senator from Washington [Mr. MAGNUSON]. If he were present, and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. METCALF (when his name was called). On this vote I have a pair with the junior Senator from Iowa [Mr. MILLER]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MORSE. Madam President, how am I recorded?

The PRESIDING OFFICER. The Senator from Oregon is recorded as having voted in the affirmative.

Mr. MANSFIELD. Madam President, I ask for the regular order.

The PRESIDING OFFICER. The regular order has been called for.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Wyoming [Mr. HICKEY] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from California would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. McGEE], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business, and his pair has been previously announced.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Wyoming [Mr. HICKEY]. If present and voting, the Senator from California would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 42, nays 38, as follows:

[No. 66 Leg.]

YEAS—42

Bartlett	Ervin	Mansfield
Bible	Hart	McCarthy
Burdick	Hartke	McNamara
Byrd, W. Va.	Hayden	Monroney
Cannon	Hill	Morse
Church	Humphrey	Moss
Clark	Jackson	Muskie
Dodd	Jordan	Neuberger
Douglas	Kefauver	Pastore
Ellender	Kerr	Pell
Engle	Long, Hawaii	Randolph

Russell
Smathers
Smith, Mass.

Sparkman
Symington
Talmadge

Yarborough
Young, N. Dak.
Young, Ohio

NAYS—38

Aiken
Allott
Anderson
Bennett
Boggs
Bush
Capehart
Carlson
Case, N.J.
Case, S. Dak.
Cooper
Cotton
Curtis

Dirksen
Dworthak
Eastland
Fong
Goldwater
Hickenlooper
Holland
Hruska
Javits
Keating
Lausche
McClellan
Morton

Mundt
Murphy
Pearson
Proity
Proxmire
Robertson
Saltonstall
Scott
Smith, Maine
Thurmond
Tower
Williams, Del.

NOT VOTING—20

Beall
Butler
Byrd, Va.
Carroll
Chavez
Fulbright
Gore

Gruening
Hickey
Johnston
Kuchel
Long, Mo.
Long, La.
Magnuson

McGee
Metcalf
Miller
Stennis
Wiley
Williams, N.J.

So the bill (S. 3225) was passed, as follows:

S. 3225

An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purpose of this subsection, may provide in an agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of \$10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided*, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been sub-

mitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of \$250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further*, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further*, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and"

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: *Provided*, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting "including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement"

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"Sec. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c)."

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed grains

Sec. 301. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"Part VII—Marketing Quotas—Feed Grains "Legislative findings

"Sec. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign

commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balance supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

"The diversion of substantial acreage from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"National marketing quota

"Sec. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the ab-

sence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for feed grains for any marketing year shall be not less than one hundred and ten million tons.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"National acreage allotment

"Sec. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected

yields and expected underplantings of farm acreage allotments will, together with the expected production (1) on increased acreage resulting from exemptions pursuant to sections 360f and 360k, and (2) of silage on acreage excluded from the acreage of feed grains pursuant to section 301(a)(11), make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"Apportionment of national acreage allotment"

"SEC 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b) (2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b) (1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c) (2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of reclamation and other new areas coming into the production of feed grains.

"(c) (1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b) (1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, and which is regarded as devoted to the production of feed grains under Federal farm programs, acreage diverted from the production of feed grains under this part, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm, except that in the case of a farm which is exempt from the farm marketing quota under the small-farm exemption in section 360f, or under the exemption in section 360k, the acreage on the farm in excess of the farm acreage allotment but not in excess of the farm base acreage, shall not be excluded.

"(4) the acreage of wheat produced on the farm in excess of the farm acreage allotment pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm, and shall not be considered as an acreage of wheat in determining the small-farm base acreage for wheat pursuant to section 335.

"Geographical applicability"

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"Small farm exemption"

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm acreage allotment of less than twenty-five acres if the acreage of such crop of feed grains does not exceed the smaller of (A) the farm base acreage determined for the farm, or (B) twenty-five acres unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. If the operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the smaller of (A) the farm base acreage, or (B) twenty-five acres, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"Referendum"

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pur-

suant to this section, except a producer who has a farm acreage allotment of less than twenty-five acres shall not be eligible to vote unless the farm operator elected, pursuant to section 360f, to be subject to the farm acreage allotment and marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"Compliance"

"SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided*, That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further*, That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield per acre of such feed grain on the farm during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the normal yields for similar or adjacent farms, and the yield in years for which data are available.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as

wheat acreage pursuant to section 360i shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess, and (iv) any acreage of barley disposed of by grazing not later than thirty days prior to the date the harvest of barley normally begins in the county or the area within the county as determined by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"Substitution of wheat and feed grains

"Sec. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, and producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat, to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"Land use

"Sec. 360j. (a) (1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c) (2) (C) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1 of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the nor-

mal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable to producers with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided*, That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such programs shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (1) abnormal weather conditions or other factors affecting production, (2) established crop-rotation practices on the farm, (3) participation in other Federal farm programs, (4) unusually high percentage of land on the farm devoted to conserving uses, and (5) for other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c) (2) (C) shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in feed grains.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at the rate determined

by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems is desirable in order to provide fair and equitable treatment.

"Deficit areas

"Sec. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in an average loss of 25 per centum gross income to producers in such area, would increase by 25 per centum the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, based on 1959-1960 operations, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

"Authority to exempt Malting barley

"Sec. 360l. Notwithstanding any other provision of this part, if with respect to any crop of barley the Secretary finds that there is not likely to be production of a sufficient quantity of Malting barley to satisfy the demand therefor, subject to such terms and conditions as the Secretary shall prescribe, the farm marketing quota or farm acreage allotment for any crop of feed grains shall not be applicable to Malting barley on any farm, if (i) the operator elects in writing on a form and within the time prescribed by the Secretary to have Malting barley exempt

therefrom, (ii) such operator has previously produced a Malting variety of barley, plants barley only of an acceptable Malting variety for harvest during the crop year, and does not knowingly devote during such crop year an acreage on the farm to barley in excess of 110 per centum of the acreage devoted on the farm to barley in 1959 and 1960, or such later two-year period determined by the Secretary to be representative, and (iii) the farm base acreage and the farm acreage allotment for such crop of feed grains are adjusted downward by such amount as the Secretary determines appropriate to reflect the exclusion of such barley from the farm acreage allotment."

Sec. 302. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediately following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers."

Sec. 303. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, grain sorghums, and barley.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains), but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360d(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361-367 shall apply to the determination of the acreage of silage exempt under this subsection.

"(12) The term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b) (6) (A) is amended to read as follows:

"(6) (A) 'Market', in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of."

(3) Subsection (b) (7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1-June 30;
"Corn, October 1-September 30;
"Cotton, August 1-July 31;
"Grain sorghums, July 1-June 30;
"Peanuts, August 1-July 31;
"Rice, August 1-July 31;
"Tobacco (flue-cured), July 1-June 30;
"Tobacco (other than flue-cured) October 1-September 30;
"Wheat, July 1-June 30.

"'Marketing year' means, in the case of 'feed grains', the marketing years for the agricultural commodities comprising the feed grains."

Sec. 304. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat," and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

Sec. 305. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

Sec. 306. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

Sec. 307. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j."

Sec. 308. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 301 through 307 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

Sec. 309. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) if marketing quotas for any crop of corn, grain sorghums, and barley are not disapproved by producers, price support for corn of such crop shall be made available at such level not less than 65 per centum or more 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products.

"(2) if marketing quotas for any crop of corn, grain sorghums, and barley are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b).

"(3) price support for each crop of barley and grain sorghums, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn and the other factors specified in section 401(b) of this Act.

"(4) price support for corn, grain, sorghums, and barley shall be made available only to cooperators.

"(5) if marketing quotas are in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any such feed grain produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any crop of corn, grain sorghums, and barley produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such farm marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k of the Agricultural Adjustment Act of 1938, as amended."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401 by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

Subtitle B—Wheat

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner

as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"National Marketing Quota

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as live-

stock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"National Acreage Allotment

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of subsection (1) thereof (added by Public Law 87-357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) By adding at the end thereof the following new subsection:

"(1) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop to the National, State, and county wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the Nation, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 328(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"Commercial area

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Small farm exemption

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957-1961, or such later five-year period determined by the Secretary to be representative, with adjust-

ments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957-1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Referendum

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat procured for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"Land use

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not

be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted

to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (1) any farm acreage allotment in effect for any commodity produced on the farm and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under sections 335, 360f, or 360k. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an au-

thorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297-298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

Wheat marketing allocation program

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"Subtitle D—Wheat marketing allocation

"Legislative findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops

of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"Wheat marketing allocation"

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, which shall be the percentage which the and (2) the national allocation percentage national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"Marketing certificates"

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (1) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (2) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their

respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f or 360k.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"Marketing restrictions"

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the market certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (1) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (2) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to

secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"Assistance in purchase and sale of marketing certificates"

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue, and sell certificates in excess of the quantity of certificates which is purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"Conversion factors"

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"Authority to facilitate transition"

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"Reports and records"

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"Penalties"

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of

this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than \$10,000 or imprisonment of not more than ten years, or both.

"Regulations

"Sec. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

Sec. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"Sec. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 85 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) price support for any crop of wheat for which marketing quotas have been dis-

approved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

"(6) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (1) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (11) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided, That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

Sec. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities";

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f) (1) the figure "\$10,000,000" and inserting in lieu thereof the figure "\$25,000,000";

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and

(5) By adding at the end thereof a new section as follows:

"Sec. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

Sec. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"Sec. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration', in the Department of Agriculture Appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

Sec. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

Sec. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (1) thereof and inserting in lieu thereof the following: "Provided, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

Sec. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of

this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

SEC. 406. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 407. It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer-owned, farmer-managed associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Declarations and findings

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion

of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or by-product uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

Agricultural research and industrial use administration

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of \$20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

Salaries

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS-18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided*, That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

Powers and duties

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agriculture and other Federal

departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 4271, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or by-product uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, of any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided*, however, That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove

the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

Transfer of Government plants

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: *Provided*, That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administrations of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

Definition of "agricultural products"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

Annual report

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

Savings provision

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

Appropriations

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Mr. ELLENDER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. ELLENDER. Madam President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Madam President, there was some confusion during the debate. I certainly do not want to be unfair to the Secretary of Agriculture. It was stated in the debate that the general counsel of the Agriculture Department had advised a staff member that there was nothing in title I of the bill which would expressly provide either for integrated or segregated facilities.

I immediately sent a telegram to the Secretary of Agriculture expressing my disappointment in that decision. I have just received a telephone call from the general counsel of the Department of Agriculture saying that, while the law is silent, it has been announced to be the policy of the Secretary of Agriculture that no Federal funds will be allotted under title I for any except integrated facilities.

I commend the Secretary of Agriculture for the action he has taken.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HUMPHREY. I join in that commendation.

LEAVE OF ABSENCE

Mr. DIRKSEN. Madam President, I ask unanimous consent that the distinguished Senator from Colorado [Mr. ALLOTT] be excused for an indefinite period from attendance on the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS

Mr. JAVITS obtained the floor.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1321, S. 2965, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Madam President, following the announcement made prior to the vote on the question of passage of the farm bill, as to the intention of the combined leadership to offer a unanimous-consent agreement, I now send to the desk and ask to have read a proposed unanimous-consent agreement, if my colleague from New York [Mr. JAVITS] and my other colleagues of the Senate will permit me to do so.

Mr. JAVITS. Madam President, I ask unanimous consent that I may yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

The proposed unanimous-consent agreement will be stated for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, May 28, 1962, beginning at 10 a.m., the Senate proceed to the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies; that debate on the substitute amendments intended to be proposed by Mr. CASE of South Dakota (for himself, Mr. COOPER, Mr. PROUTY, Mr. FONG, and Mr. BOGGS), numbered "5-24-62-A," shall then be proceeded with and limited to 2 hours; to be equally divided and controlled by him and the majority leader: *Provided further*, That there shall be 2 hours available on the Prouty substitute, if offered, and debate on the Prouty amendment shall be controlled equally by the mover and the majority leader; and that debate on any other

amendment (including any amendment that may be offered to the Case amendments), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 5 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. KERR. Madam President, reserving the right to object, how much time would be allocated for consideration of the bill?

Mr. MANSFIELD. Five hours. There would be more time, if needed.

Mr. KERR. More than the 5 hours?

Mr. MANSFIELD. If needed, yes.

Mr. KERR. With that understanding, I do not object.

Mr. SYMINGTON. Madam President, reserving the right to object, is it planned to have a vote on the bill on Monday?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. The Senator from Oklahoma [Mr. MONRONEY] and I have a commitment to attend ceremonies at the opening of an air terminal in New York at 11 o'clock on Monday morning. Does the Senator from Montana have any idea whether there will be any votes before 1:30 in the afternoon?

Mr. MANSFIELD. I doubt it. I could not give the Senator an ironclad guarantee, but I doubt it.

Mr. JAVITS. I thank the Senator.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CAPEHART. Is it the intention that a motion will be made to eliminate the portion of the bill which would provide for financing through housing funds and other funds?

Mr. MANSFIELD. As I understand the situation, the Senator's statement is correct.

Mr. CAPEHART. That language has been eliminated, and it will be a straight authorization and appropriation bill?

Mr. KERR. Madam President, I say to the distinguished Senator from Indiana that it will be the purpose of the Senator from Oklahoma, in handling the bill, as soon as the request with respect to the unanimous-consent agreement is acted upon, to offer an amendment to the bill, for himself and certain other members of the committee, one part of which would include the elimination of all financing with reference to the proj-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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or cited)

Issued May 29, 1962
For actions of May 28, 1962
87th-2d, No. 85

CONTENTS

Adjournment.....10	Fisheries.....16	Personnel.....5,17
Appropriations.....5,15	Fish flour.....3	Public works.....1
Conservation.....13	Foreign aid.....18	Research.....2,16
Contracts.....9	Legislative program.....4	Surplus food.....12
Copyrights.....8	Libraries.....19	Taxation.....7,14
Farm program.....2,11	Patents.....8	Travel.....17

HIGHLIGHTS: Senate passed public works appropriation bill.

SENATE

1. PUBLIC WORKS. By a vote of 44 to 32, passed with amendments S. 2965, to provide standby authority to accelerate public works programs. pp. 8688-8721, 8722-37

Agreed to the following amendments:

By Sen. Kerr to provide that the standby public works program would not be triggered until after June 30, 1963, to increase the sum to be authorized for appropriation in fiscal year 1963 for the immediate program from \$600 to \$750 million, to authorize \$750 million appropriations for the standby program triggered after June 30, 1963, and to provide that 10 percent of these amounts shall be used in rural areas of low-income families and where there is lack of employment opportunities. pp. 8688-8718

By Sen. Robertson, 70 to 4, to strike out the section of the bill to authorize appropriations to carry out the standby provisions of the bill and to permit the President during the public works acceleration period to transfer to the appropriate accounts of any department or agency balances of authorizations to expend from public debt receipts available for certain designated agencies. pp. 8690-8709

By Sen. Prouty to provide that not more than 30 percent of the funds authorized to be appropriated shall be used for grants for public works projects not eligible for grants under existing programs. p. 8724

Rejected the following amendments:

By Sen. Case, S. Dak., 33 to 43, which was in the nature of a substitute for the committee bill and would have provided for smaller authorizations for the program. pp. 8718-24

By Sen. Cooper, 34 to 44, which he stated "differs from the Kerr amendment in that my amendment would require that the full \$750 million be spent upon local projects -- small projects in communities, the types of projects which are not now eligible for Federal aid." pp. 8724-8

2. FARM PROGRAM. Attached to this Digest is a summary of S. 3225, the farm bill, as passed by the Senate. The summary was prepared by staff of the Senate Agriculture and Forestry Committee.

Sen. Moss inserted an article, "The Sleeper Awakes," which discusses the farm bill as passed by the Senate, saying, "one of the most intractable, long-established national problems seems to be on the way to solution." pp. 8745-6

Sen. Mundt inserted an article, "Moving Products Instead of Farmers," supporting increased research on industrial uses for agricultural production. p. 8750

Sen. Proxmire discussed the farm bill and criticized the coverage of the Senate debate by the American press. pp. 8751-2

3. FISH FLOUR. Sen. Douglas discussed the fishing industry and said, "I am confident that America will rise to the challenge of producing from oceans the vast stores of potential food which they hold and which mankind needs." p. 8752

4. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the calendar will be called on Tues., May 29. p. 8736

HOUSE

5. APPROPRIATIONS. Conferees were appointed on H. R. 11038, the second supplemental appropriation bill, and the conferees were granted until midnight, May 28, to file a conference report. Senate conferees have already been appointed. p. 8681

6. PERSONNEL. Both Houses received from the Civil Service Commission a proposed bill "to define the term 'child' for lump-sum payment purposes under the Civil Service Retirement Act"; to Post Office and Civil Service Committees. pp. 8686, 8738

7. TAXATION. The Ways and Means Committee reported on May 26 (during adjournment of the House) without amendment H. R. 11879, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates (H. Rept. 1738). p. 8686

8. COPYRIGHTS. The Judiciary Committee reported with amendment H. J. Res. 627, extending the duration of copyright protection in certain cases (H. Rept. 1742). p. 8686

9. CONTRACTS. The subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee with amendments H. R. 11405, to provide for the maintenance and repair of Government improvements under concession contracts entered into pursuant to the act of August 25, 1916. p. D415

10. ADJOURNED until Thurs., May 31. p. 8686

ITEMS IN APPENDIX

11. FARM PROGRAM. Extension of remarks of Sen. Williams, Del., inserting an editorial, "President's Slip Showing -- Beg Your Pardon, Sir," which says in part, "Mr. Kennedy should be informed that Texas newspapers, not the Federal Government, first brought the Estes matter to public light." p. A3925
Extension of remarks of Sen. Boggs inserting an editorial, "The Case of Mary Jones," urging a complete investigation of the Estes affairs. p. A3934
12. SURPLUS FOOD. Extension of remarks of Sen. Wiley inserting a speech discussing the global food picture and the surplus food problem. p. A3927
13. CONSERVATION. Extension of remarks of Rep. Rivers, Alaska, inserting an address by Rep. Aspinall before the White House Conference on Conservation. pp. A3941-2

BILLS INTRODUCED

14. TAXATION. S. 3352, by Sen. Williams, Del., to amend the Act of August 24, 1935, in order to provide that payment of Federal taxes withheld from wages of employees be secured by performance bonds required by such act; to Finance Committee.
15. APPROPRIATIONS H. R. 11915, by Rep. Anderson, Ill., relating to the checking, spending, and quarterly payment of appropriations for the executive branch of the Government; to Government Operations Committee.
16. FISHERIES. H. R. 11916, by Rep. Bailey, to authorize the Secretary of the Interior to provide financial assistance to States in research programs to improve the conservation of fish in reservoirs; to Merchant Marine and Fisheries Committee.
17. TRAVEL. H. R. 11917, by Rep. Findley, to reduce Government air travel costs; to Government Operations Committee. Remarks of author. p. 8683
18. FOREIGN AID. H. R. 11921, by Rep. Morgan, to amend further the Foreign Assistance Act of 1961, as amended; to Foreign Affairs Committee.
19. LIBRARIES. H. R. 11924, by Rep. Roosevelt, to amend the Library Services Act in order to make areas lacking public libraries or with inadequate secondary libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act; to Education and Labor Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

May 29: Sugar legislation, H. Agriculture (exec).
Investigation of Estes grain storage operations, H. Gov't Operations.
Redevelopment area industrial mortgage purchasing bill, S. Banking.

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SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

Short Explanation of S. 3225, as passed by the Senate

S. 3225, as passed by the Senate, provides for --

Title I -- Land Use Adjustment

1. Permanent administration of the agricultural conservation program on a national basis.

2. Payments to producers under long-term agreements (not to exceed 15 years) to conserve and develop soil, water, forest, wildlife, and recreation resources. Appropriations are restricted to \$10 million annually.

3. Loans to State and local public agencies to carry out land utilization plans.

4. Amendments to the Watershed Protection and Flood Prevention Act providing, among other things, for Federal participation in installation costs for recreation purposes and in land costs for public fish, wildlife, and recreation purposes.

Title II -- Public Law 480

Long-term supply contracts with the private trade and other amendments of title IV of Public Law 480, 83rd Congress.

Title III (Subtitle A) -- Marketing Quotas for Feed Grains

Beginning with the 1963 crop, marketing quotas for corn, grain sorghums and barley would be proclaimed whenever supplies were excessive. Marketing quotas for such feed grains would be put into effect upon approval of two-thirds of the producers voting in a referendum. The minimum national quota would be 110 million tons. Producers would be required to divert acreage from the production of feed grains covered by the bill equal to the amount by which the base acreage of feed grains exceeds the farm acreage allotment; such acreage cannot be planted to crops in surplus supply. The Secretary could permit producers to divert an acreage, in addition to that required above, equal to 20 percent of the farm acreage allotment; and producers may, at their election, divert such acreage in addition to the required diversion, as will bring the total diverted acreage up to 25 acres. For the first 3 years, 1963, 1964, and 1965, payments could be made for such diversion at not to exceed 50 percent of the support rate for the normal production of the acreage diverted. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved, and not more than 50 percent

of parity if quotas were disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at zero to 90 percent of parity.

Producers receiving an acreage allotment of less than 25 acres could elect to be exempt from marketing quotas, but could only plant up to their farm base acreage or 25 acres, whichever was less. Producers in feed deficit areas, as determined by the Secretary and covering not less than a county, could also be exempted from the program if they so elected. Producers in such areas who elected to be exempt would be permitted to plant up to their farm base acreage without paying a marketing penalty. Silage would be exempt from the program to the extent of the acreage devoted to silage in the base period, if the producer so elected.

Title III (Subtitle B) -- Wheat Marketing Certificate Program

Beginning with the 1963 crop, a wheat marketing certificate program would be in effect under which certificated wheat would be supported at between 65 and 90 percent of parity and non-certificated wheat at a level determined after consideration of its feed value and world price. The minimum national marketing quota would be one billion bushels. Certificates would be issued to producers for all wheat consumed domestically for food, and such part of exports as the Secretary determined would carry out the price and income objectives of the bill. The value of the certificates would be equal to the difference between the support prices of certificated and non-certificated wheat. Millers and exporters would have to acquire certificates for wheat processed or exported by them. Two-thirds of the producers would have to approve marketing quotas in a referendum before the program could go into effect. Producers receiving acreage allotments of less than 15 acres would be exempt from marketing quotas if they so desired; however, they would be allowed to plant only up to their small farm base acreage or 15 acres, whichever was less.

Producers would be required to divert acreage from the production of wheat in proportion to the amount by which the national acreage allotment is reduced below 55 million acres; such acreage cannot be planted to crops in surplus supply. The Secretary could permit producers to divert an acreage, in addition to that required above, equal to 20 percent of the farm acreage allotment; and producers may, at their election, divert such acreage in addition to the required diversion, as will bring the total diverted acreage up to 15 acres. For the first three years, 1963, 1964 and 1965, payments could be made for such diversion at not to exceed 50 percent of the support rate for the normal production of the acreage diverted.

Title IV -- General

1. Farmers Home Administration loans for recreational facilities and sewers.
2. An increase (from \$10 million to \$25 million) in the amount of direct FHA real estate loans for immediate resale which can be made from the agricultural credit insurance fund.
3. A single loan fund for Rural Electrification Administration loans, to include funds appropriated, borrowed, or repaid, and to be available for loans only as authorized in appropriation acts.
4. Advertising under cherry marketing orders.
5. Disclaimer of any intent that payment in kind certificates issued under the Act should be redeemed other than in accord with the minimum resale price provisions of section 407 of the Agricultural Act of 1949.
6. Congressional policy favoring one of farmer-owned and managed cooperatives in administration of farm programs.

Title V -- Industrial Uses of Agricultural Products

Establishes an Agricultural Research and Industrial Use Administration within the Department of Agriculture to coordinate and expedite an expanded research program on industrial uses of agricultural commodities.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
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(For information only;
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87th-2d, No. 91

CONTENTS

Automation.....22	Forestry.....13,15,29	Personnel.....11,27
Appropriations.....13,18	Foreign aid.....12	Poultry.....13
Conservation reserve....13	Foreign trade.....17	Public debt.....4
Cooperatives.....13	Hay.....13	Public Law 480.....12,26
Dairy.....13	Honeybees.....13	Purchasing.....7
Electrification.....21	Lands.....13,29	Reclamation.....10
Export control.....17	Mining.....29	Research.....24
Farm program.....1,25	National parks.....16	Retirement.....27
		School lunch.....2
		Soviet agriculture.....14
		Sugar.....28
		Surplus food.....8,26
		Taxation.....5
		Textiles.....3
		Transportation.....9,20
		User charges.....6
		Water conservation.....24
		Water resources.....19
		Wilderness.....23

HIGHLIGHTS: House Rules Committee cleared farm bill. House passed school lunch fund apportionment bill. Senate debated foreign aid bill. Senate committee voted to report bill to permit harvesting hay on conservation reserve acreage.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 6 hours of debate, waiving points of order against the bill and committee amendments as they pertain to P. L. 480, on H. R. 11222, the general farm bill." p. D440

Rep. Andersen, Minn., defended his role in the Estes case, saying, "H. Carl Andersen has never done anything wrong in connection with the Estes affairs. My conscience is clear." pp. 9062-6

Rep. Beermann charged that "the Democrats are engaged in a desperate attempt to shift the blame for the Billie Sol Estes scandals from the administration to the Republicans and to business." He further said, "I predict many more Billie Sol Estes scandals if the administration's farm bill is enacted." p. 9096

2. SCHOOL LUNCH PROGRAM. By a vote of 370 to 11, passed with amendments H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. pp. 9061, 9066-8

3. TEXTILES. Several Representatives discussed the problems of the domestic textile industry, especially the effect of foreign competition on the industry. pp. 9089-91, 9093-5

Committee

4. PUBLIC DEBT. The "Daily Digest" states that the Ways and Means "Met in executive session and ordered reported favorably to the House H. R. 11990, to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act" (p. D440). The Committee was granted until midnight Thurs., June 7, to file a report on this bill (p. 9061).

5. TAXATION. Passed without amendment H. R. 11879, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates. pp. 9068-80

6. USER CHARGES. Received from the Budget Bureau a report of the activity in the executive branch during fiscal year 1961 to further the Government's user charges policy; to Appropriations Committee (June 4).

7. PURCHASING. Rep. Halpern discussed H. R. 10946, to amend the prevailing wage section of the Davis-Bacon Act, as amended, and supported this proposed legislation. pp. 9097-8

8. SURPLUS FOOD. Received from GAO a report on the review of the Administration of the public assistance programs and the surplus food distribution program, Department of Public Welfare, District of Columbia government. p. 9098

9. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 11643, to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates (H. Rept. 1769). p. 9098

10. RECLAMATION. The Interior and Insular Affairs Committee voted to report with amendments (but did not actually report) H. R. 575, to authorize the Secretary of the Interior to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon. p. D440

11. PERSONNEL. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 1 hour of debate, on H. R. 11677, to prohibit discrimination on account of sex in the payment of wages by certain employers." p. D440

SENATE

12. FOREIGN AID. Continued debate on S. 2996, the proposed Foreign Assistance Act of 1962. pp. 9117, 9121-27, 9132-55

Agreed to an amendment by Sen. Lausche, 57 to 24, in the nature of a substitute for an amendment by Sen. Proxmire, to provide that no assistance shall be furnished under this Act and no commodities may be sold or given under Public Law 480 to any country known to be dominated by communism or Marxism. The Proxmire amendment as amended by the Lausche amendment was then agreed to by a voice vote. pp. 9117, 9121-27, 9132-42

2872, 2904, 2994, 2999, H.R. 2833, 3595, 3633, 3714, 4655, 6330, 10502, and an original concurrent resolution—S. Con. Res. 76); and 1 original private claim bill (S. 3377).
Committee indefinitely postponed further action on

five private immigration bills (S. 2260, 2354, 2713, 2909, and 3038).

Committee also discussed S. 1552, proposed Drug Industry Antitrust Act, but made no announcements.

House of Representatives

Chamber Action

Bills Introduced: 17 public bills, H.R. 12026-12042; 5 private bills, H.R. 12043-12047; and 2 resolutions, H.J. Res. 730 and 731, were introduced. Pages 9099-9100

Bills Reported: Reports were filed as follows:

Nine private bills, S. 2186, 2300, 2339, 2340, 2418, 2486, 2562, 2565, and 2709 (H. Repts. 1760-1768, respectively);

H.R. 11643, relating to water carrier through routes and joint rates (H. Rept. 1769);

Two private bills, H.R. 9593 and 10459 (H. Repts. 1770 and 1771, respectively);

S. 2893, declaring that certain land of the United States is held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas (H. Rept. 1772);

S. 2895, a private bill (H. Rept. 1773);

H.R. 4592, setting aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., amended (H. Rept. 1774);

H.R. 10452, donating to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275⁷/₁₀₀ acres of federally owned land, amended (H. Rept. 1775);

H.R. 10530, declaring that certain land of the United States is held in trust by the United States for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation, amended (H. Rept. 1776);

H.R. 11057, declaring that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina, amended (H. Rept. 1777);

H.R. 11670, to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities and Exchange Act of 1934 (H. Rept. 1778); and

Six private bills, H.R. 3131, 3922, 6987, 7385, 7615, and 7900 (H. Repts. 1779-1784, respectively).

Pages 9098-9099

Public Debt Limit: The Committee on Ways and Means was granted permission to file by midnight Thursday, June 7, a report on H.R. 11990, to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

Page 9061

School Lunch Program: By a record vote of 370 yeas to 11 nays the House passed H.R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. A motion to recommit the bill with instructions had been rejected prior to its passage by a record vote of 160 yeas to 219 nays. Page 9066-9068

Tax Rate Extension: By a voice vote the House passed H.R. 11879, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, without amendment. H. Res. 675, the closed rule providing for the consideration of the legislation, had been adopted earlier by a voice vote. Pages 9068-9080

Quorum Calls and Record Votes: During the proceedings of the House today two quorum calls and two record votes developed and they appear on pages 9061, 9066-9067, 9067-9068, and 9080.

Program for Thursday: Adjourned at 5:25 p.m. until Thursday, June 7, at 12 o'clock noon when the House will consider H.R. 5532, to amend the Armed Services Procurement Act of 1947 (1 hour of debate).

Committee Meetings

DEFENSE AGENCIES

Committee on Armed Services: Subcommittee on Defense Agencies heard testimony, in executive session, from Lt. Gen. Joseph F. Carroll, Director, Defense Intelligence Agency; Maj. Gen. R. H. Booth, Chief, Defense Atomic Support Agency; and Vice Adm. L. H. Frost, Director, National Security Agency.

D.C. TRAFFIC PROBLEMS

Committee on the District of Columbia: Special subcommittee heard testimony from Brig. Gen. Frederick J. Clarke, District Engineer Commissioner, and public witnesses, on D.C. traffic, street and highway problems. Recessed hearings subject to call of the Chair.

DAVIS-BACON ACT

Committee on Education and Labor: Special Subcommittee on Labor heard testimony from public witnesses on the administration of the Davis-Bacon Act. Hearings continue Thursday, June 7.

FOREIGN AID

Committee on Foreign Affairs: Met in executive session to consider a draft report on the Foreign Assistance Act of 1962. Recessed until Thursday, June 7.

CAPTIVE NATIONS

Committee on Foreign Affairs: Subcommittee on Europe met in executive session and heard a briefing from Henry Loomis, Director, Broadcasting Service, U.S. Information Agency, regarding the captive nations.

WEIGHTS-MEASURES

Committee on Government Operations: Subcommittee on Intergovernmental Relations heard testimony from State and local officials responsible for weights and measures regulations regarding regulation of weights and measures. Adjourned hearings subject to call of the Chair.

INTERIOR-INSULAR AFFAIRS

Committee on Interior and Insular Affairs: Ordered reported favorably to the House the following bills:

S. 46 (amended), to provide for the construction of recreation facilities in the Elephant Butte and Caballo Reservoir areas, New Mexico;

H.R. 4860 (amended), to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa;

S. 2775 (amended), to remove the ceiling on the authorization for appropriations for the government of the Trust Territory of the Pacific Islands;

H.R. 10485 (amended), to declare that certain land of the U.S. is held by the U.S. in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation; and

H.R. 575 (amended), to construct, operate, and maintain the upper division of the Baker Federal reclamation project, Oregon.

THROUGH ROUTES—SEC REPORT

Committee on Interstate and Foreign Commerce: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 11643, relating to the establishment of through routes and joint rates; and

H.R. 11670, to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934.

PRIVATE CLAIMS

Committee on the Judiciary: Subcommittee No. 2 took testimony and acted on several private claim bills.

COASTWISE TRADE

Committee on Merchant Marine and Fisheries: Heard testimony from public witnesses on H.R. 11126, to authorize admittance of the vessel *City of New Orleans* to American registry, and permit use of such vessel in coastwise trade. Hearings continue Thursday, June 7.

CIVIL SERVICE RETIREMENT ACT

Committee on Post Office and Civil Service: Subcommittee held a hearing on H.R. 3258, and related bills, to allow credit under the Civil Service Retirement Act to certain Federal employees for service in Federal-State cooperative programs in a State. Heard testimony from an Agriculture Department witness; and public witnesses. A statement was presented for the record by Representative Natcher.

EQUAL PAY

Committee on Rules: Granted an open rule, with 1 hour of debate, on H.R. 11677, to prohibit discrimination on account of sex in the payment of wages by certain employers.

GENERAL FARM BILL

Committee on Rules: Granted an open rule, with 6 hours of debate, waiving points of order against the bill and committee amendments as they pertain to P.L. 480, on H.R. 11222, the general farm bill.

Witnesses heard on the request for a rule were Representatives Cooley, Poage, Breeding, Johnson of Wisconsin, Jones of Missouri, Hoeven, Quie, Teague of California, Beermann, Harvey of Indiana, Findley, Belcher, Short, Latta, Dole, and Mathias.

BUREAU OF STANDARDS

Committee on Science and Astronautics: Held a hearing on H.R. 11561, relating to Bureau of Standards research, and heard testimony from Dr. A. V. Astin, Director, Bureau of Standards, accompanied by other Bureau officials; and a Department of Commerce official.

COMMUNIST ACTIVITIES

Committee on Un-American Activities: Continued hearings on Communist conspiratorial techniques and propaganda used in implementing Communist Party directives within the U.S., and the structure, objectives, and activities of the Communist Party in the Cleveland, Ohio, area. Heard testimony from public witnesses. Hearings continue Thursday, June 7.

DEBT LIMIT—RENEGOTIATION ACT

Committee on Ways and Means: Met in executive session and ordered reported favorably to the House H.R. 11990, to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

Also considered extension of the Renegotiation Act. Recessed until Thursday, June 7, at which time the committee will continue on this subject.

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